2002 SERS Early Retirement Program Report

Office of Retirement Services
State Employees Retirement System

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I. Overview

Once upon a time in a land far, far away…OK…maybe not THAT far away…Lived a lowly group of Civil Servants named BPLs who, much to their surprise, were about to undertake a giant by the name of Early Out…

Our story begins on a snowy February morning…

The Retirement Offices became aware of the Governors proposal for an Early Out on February 4, 2002. The bill was announced publicly on February 7, 2002 and signed into law on March 27, 2002 with immediate effect. The bill included the following qualification requirements:

- 80 points (total years of age and service)
- Retirement Effective dates between July 1, 2002 and November 1, 2002
- Application submission between April 1, 2002 and April 30, 2002
- Application rescind between May 1, 2002 and May 15, 2002

A. The Journey

Business Plan & Budget
As soon as the Business Process Leaders (BPLs) became aware of the proposal and the likely passage of the bill, business-planning activities began. The BPLs started by running system queries to determine potential applicant/qualified numbers. In reviewing the 1997 Early Out report, it was learned that the past team had underestimated the number of likely applicants. Based on this information, it was decided to use past experience from 1997, which found the likely number of actual applicants vs. those qualified to be a 64% ratio.

Next, the BPLs began to focus on available business resources. Based on the projected number of qualified applicants, the BPLs calculated their resources required within each process area to determine total ORS temporary worker resources needed. At the same time the scope/scale of supplies needed to communicate with our customers was determined. Temporary worker needs along with supply costs were folded into a business plan. Once the business plan was developed it was approved by the Executive Process Council (EPC) 5 business days later (February 11, 2002) and a summary plan was presented to the legislature for the appropriations process.

Preparation for Communication to Customers
Communication plans for customers had to be undertaken very quickly. The major communication avenues were the ORS Website, printed materials and Early Out Seminars, many of which had to be undertaken concurrently.

The website was our first communication avenue. The website was brought up on February 7, 2002 at noon to coincide with the Governor’s announcement of the Early Out Proposal. Most every mass communication sent to customers also was displayed on the website. We advertised the seminars, had copies of forms from the application packet as well as FAQs/Next Steps. We also deployed a website on-line calculator where customers could enter various scenarios to calculate and print out retirement estimates. The website was one of the main focal points for communication.

The next communication method involved the Early Out Application Packets. With the assistance of Print and Mail Services, we started development on the packets on February 6, 2002 and completed the "out the door" mailing by April 1st, 2002. The packets included personalized information detailing the customers' years of service and a quick estimate of a straight life pension. Four main letters were created: persons immediately qualified, persons qualified if they purchase time, DC transfers and covered employees. Three of the four sets of letters were mailed out immediately. Those who qualified if they purchased time were not mailed letters, customers had to call to request this information. This is a decision in hindsight we would reverse for another Early Out– it would have been preferable to mail these all out at once rather than handle the volume of calls/confusion this created.

Mail and records processes were enhanced as well. When the packets were developed, we devised a plan to respond to application forms utilizing a "post card" response back to the customer. In this fashion the customer was assured that the Retirement Offices received their information within the allotted timeframe.

The third method employed was the Early Out Seminars. Communications staff conducted 106 seminars statewide with 9,690 customers attending from March 25, 2002 to April 28, 2002. The meetings appeared to be well attended with customers self-registering online.

We also conducted HR seminars for HR personnel. These seminars were challenging to conduct as many of the specific data entry rules were still being developed by HRMN as the seminar was put together.

Logistics

The BPLs had a number of internal issues that needed to be addressed within a short period of time, mostly related to staffing and staffing support. After completing the business plan, we recognized the need to pull additional temporary staff into the office. During the peak month of April, fifty-six temporary employees were staffed at ORS. Our most immediate concerns were related to space, where to put temporary staff, and acquiring enough PCs and desktop printers for staff.

We were in the process of renovation so as the renovated space became available we moved regular staff in and moved our temporary workers into the alternate wing area. Each temp office had to be outfitted with the necessary office equipment. If there wasn't enough equipment available onsite, items were taken out of storage or borrowed from other agencies within DMB.

Fifty-five PC's were purchased through the Department of Information and Technology (DIT). DIT technicians imaged the new PC's onsite as they arrived allowing for no delay time. Most of the PCs were up and running by March 11, 2002. To obtain enough desktop printers ORS utilized the Document Output Management Services (DOMS) leasing program and borrowed some from other agencies.

Response to Customers During Deployment

Once the Early Out information was sent to our customers we deployed a number of techniques to assist customers with Questions and Answers.

First, a special Early Out ACD line was created. As we trained our incoming temps, we could concentrate on one area of retirement rather than all areas. Next, we created an e-mail link utilized by both HR offices and by customers for questions or concerns on the Early Out. During this time we received 13,089 e-mail requests for assistance. This was a challenging aspect to keep up with. Given the volume of e-mail requests received, an auto-email response mechanism was created to minimize the impact on Customer Accounts. The auto-email response assured the customer that their inquiry was received and set the expectation that there inquiry would be responded to in 10 business days, including requests for billing statements. Customers were also directed to go to the SERS website for the latest information and a listing of frequently asked questions and answers.

As expected, our service credit billings increased exponentially from the moment the EO program was announced. ORS staff from other areas were trained on UBI billings and assisted with this effort. In total 10,863 billings were sent between February 4, 2002 and June 2, 2002.

We also started planning for the end of the application period. We realized that due to the very short turn around time, many of our customers would wait until the final deadline to turn in their forms. We also faced increased security in the building that would have required all of our customers to go through the security process. As such, we booked Conference Room D, directly off of the main lobby to use as a walk-in counseling/application processing area. In this way, our customers could be referred directly to this area without delay and the staff working the area would be concentrating in one area of business. This dedicated walk-in counseling/application processing area was accessible the entire month of April. During the month of April, 2,907 applications were accepted in Conference Room D.

Application Processing

Many of the activities related to application processing started to occur concurrently with communication planning. HR Directors requested a listing of applicants available for MIDB query. We produced a weekly list for this query process, and a final list after the March 15th application revoke list.

B. Constraints

During the Early Out program the Retirement Offices faced many challenges and successes. The following is a listing of constraints and lessons learned felt by many areas of the business.

- Bill Changed
- ORS was in the middle of renovation
- Short time-frame
- Didn't have MIDB access, which limited determining our eligibles
- Political scrutiny (other Departments involved in decision making and roles were not clear

C. Lessons Learned

- Send letter to all potential eligible individuals (with purchase and without)
- Don't send out ball park estimates to potential eligible individuals
- Figure in 10% contingency for resources and budget
- This project was the first large effort run in our new process based organization. The Executive Process Council allowed decisions to be made by BPL's, which allowed for very quick implementation.
- Weekly meetings and updates were critical
- BPL project coordinator that is not directly impacted was very helpful.
- As the focal point moved the BPL's were able to anticipate and focus on it.

II. Function Level Reports

A. Customer Information & Education

OVERVIEW

In 2002, State of Michigan employees were offered a reduced age and service, or Early Out, retirement option. The role of the Office of Retirement Customer Education staff was to provide complete, accurate information regarding the Early Out plan to our customers. This proved to be a challenging task since information changed rapidly as the Early Out bill moved through the legislature, leading to speculation and potential misinformation.

The Customer Education staff utilized different types of media to ensure up-to-date, correct information was provided to our customers. The means of communication were: mass mailings that included forms unique to the Early Out plan, web site, and seminars.

This report will provide an overview of the communications provided to customers and the media used to report it.

MASS MAILINGS AND FORMS: PROCESS

- The first step to develop mass communication materials for the Early Out retirement plan was to determine whom the audience was. Customer Accounts compiled data to indicate which state employees would be eligible for the Early Out retirement plan. Customer Accounts also compiled a list of state employees who may have been eligible for the Early Out retirement plan if they purchased service.
- Once the audience was determined, a series of letters were developed to cover the different employee classifications in the Early Out plan.
  Letters were designed for:
  Classified and unclassified employees (Standard Letter)
  DC Participants (DC Retirement Plan Letter)
  Covered Employees (Covered Employee Letter)
  75 Years of Service - Potential to Purchase (75 YOS Letter)
  Generic Letter (to be passed out at seminars) in information packet (Generic Letter)
  See Attachment A – Letters to Applicants for a sample of each letter.
- We provided each letter template to Print and Graphic Services (PGS) and the "potentially eligible" database for each letter category from Customer Accounts. PGS used a software program that imaged the document then inserted the personalized information onto the document. The address and indicia were sprayed on the envelopes.

- The appropriate letter (with the exception of the 75 Years of Service Letter) was sent to eligible employees in a retirement packet. ***See Attachment B – Early Out Retirement Packet Contents for the documents/forms contained in the retirement packet.***
- Once an application was received:
  1. The Acknowledgement of Receipt of Retirement Application card was date stamped and mailed back to the applicant by Process Support staff.
  2. A mailing list for the bulletin was pulled from applications that were received. The applicant was mailed an Early Out Bulletin detailing what to expect and important dates. We sent PGS the mailing database; PGS completed the mail merge and sprayed the address and indicia on the envelopes.
  3. A rollover letter was mailed to remind them ORS must receive their rollover payment before they terminated employment.

  See Attachment C - Notifications sent to Applicants for a sample of each.
- The 75 Years of Service Letter was not mass mailed to eligible employees. Instead, if the employee called and inquired about purchasing service to retire, the letter was pulled and stuffed into a retirement packet and then mailed to them. See "Mass Mailings and Forms Lessons Learned" for more information.

MASS MAILINGS AND FORMS: DETAILS

- Prior to the Early Out incentive, ORS had established service agreements with both PGS and Mail and Delivery. However, it was the cooperative partnership formed between the three departments that made the mass mailings effective.
- ORS met with both Print and Graphics and Mail and Delivery before the Early Out legislation had been passed.
- Both PGS and Mail and Delivery offered ideas/solutions related to the style and design of packets, forms and envelopes to increase efficiency and lower cost.
- ORS would call PGS and notify them of any work order related to the Early Out. PGS would expedite all Early Out related materials.
- PGS would then directly send the materials to Mail and Delivery to further expedite the process.
- Close communication between the three offices was crucial. Print jobs were delivered in person to PGS, and proofs were either faxed or hand delivered back to ORS, which saved time in transit.
- ORS provided material to Mail and Delivery as it was ready. For example, pieces of the retirement packet were ready at different times. As each piece was completed, it was forwarded to Mail and Delivery along with the order the piece was to be put in the packet. When the legislation passed, a large portion of the retirement packets were already completed.

MASS MAILINGS AND FORMS: LESSONS LEARNED

- We experienced data impurity problems that allowed letters to go to the wrong address, had improper Social Security numbers in some cases so again, letters went to the wrong recipients. This created the need to send correction letters and retraction letters.
- An executive decision was made not to mass mail the 75 Years of Service Letter to those employees who may be able to purchase service unless the individual called ORS to inquire about the possibility of purchasing service. If the individual contacted ORS, the letter was then sent to them. This decision was made because ORS internal estimates had over 8,000 employees who were eligible for the Early Out. Advertising to those who could purchase service credit would have upped the number to over 12,000.

MASS MAILINGS AND FORMS: SUGGESTIONS FOR THE FUTURE

- A disclaimer needs to be included on any document that estimates service credit. The disclaimer should convey the service credit shown is subject to a final audit to verify the accuracy.
- The ideal situation for an Early Out incentive would be to have more notice and more time. A big obstacle was legislation changed up to the last minute and was effective as soon as the bill was passed which was hours later.
- For future reference, cooperation between the different processes in ORS is crucial to working effectively and to ensure there are no repeated efforts. For example, both the Process Support mailroom and Customer Education staff were both making arrangements independently with Mail and Delivery to mail retirement packets leading to confusion and a duplication of work.

WEB SITE: PROCESS

- Developed the Early Out calculator and placed it on the ORS website. We retained the current calculator to allow “comparison shopping” by state employees.
- Created and posted to the web site Early Out Plan Highlights.
- Created and posted to the web site What to Do, What to Expect that included a timeline for applicants.
- Determined the most frequently asked questions and posted them along with the answers on the website. The categories for the frequently asked questions were: General Information, Purchases and Rollover Information, Calculating Your Pension.
- Developed a method for people to register for seminars by use of a web-based system for registration at each of the meetings.

See Attachment D – Information on the Web for a sample of each.

WEB SITE: LESSONS LEARNED

- The ORS web site was the first place customers went to receive information.
- The web site was the quickest, easiest way to provide information on the Early Out plan as well as allowing changes to be posted immediately when we learned of them.
- Working as a team with other processes to anticipate what information was most in demand and make adjustments by creating as many scenarios as possible and developing stock answers.

SEMINAR: PROCESS

- Utilized internal calculations to estimate how many customers would be eligible for the Early Out retirement and estimated how many seminars would be necessary.
- Determined the seminar locations by evaluating the employee population in different areas of the state. For more information on this, see “Seminar: Lessons Learned.”
- Contacted locations and secured seminar arrangements.
- Schedule seminar presenters.
- Set up a way for people to register for the meetings so we didn’t have too many people at any one meeting (we ultimately decided to use a web-based system for registration at each of the meetings).
- Pre-printed retirement packets based on enrollment numbers with the Generic Letter for attendees.
- Designed a PowerPoint presentation for seminars.
- Make seminar presenter aware of Early Out information as soon as it was available.
- Communicate with each of the state Human Resource departments about changes in handling the Early Out participants. ***See Attachment D – Information on the Web, Early Out FAQs on Human Resources Related Information.***
- Develop evaluation forms to determine the success of each of the meetings and tabulate the results.

SEMINAR: DETAILS

- We conducted 106 seminars in 5 weeks using 7 presenters.
- We presented seminars and packets to 9690 participants.
- Over 11,000 people registered for a seminar.
- Presenters were given a list of attendees for each session allowing them to have adequate materials on hand.

SEMINAR: LESSONS LEARNED

- Scheduled tentative locations early on then refined them as information became available.
- We explored the possibilities as to what information would be most in demand and made adjustments at future meetings.
- Anticipating as many scenarios as possible and developing stock answers for presenters.
- A lot of seminars were scheduled early on and these dates filled quickly. Seminars were then scheduled further out and as these seminars filled to capacity, we back-filled. Scheduling closer dates caused people to double register and gave false attendance projections.
- We learned that we needed to schedule more seminars in Detroit and Grayling than we anticipated. Many people work in the Lansing area but commute from Detroit. Our projected locations were based on where employees work, not their residence.

SEMINAR: SUGGESTIONS FOR THE FUTURE

- Determine what information will be most in demand and make adjustments in any future meetings.
- More time between passage of the legislation and the beginning of the presentations.
- Develop a way to scan the evaluation forms to tabulate the results.
- Pull all trainers together for a “run through” presentation seeking to ask and answer any and all potential questions.
- Develop a streaming video that will be accessible to anyone, at anytime, over the internet.
- When possible, details should be finalized before presentations begin. (Ex: questions on if and when a retiree could change their effective date, what happens if someone doesn’t qualify after the date allotted to withdraw their application.)

Attachment A - Letters to Applicants

Standard Letter
DC Retirement Plan Letter
Covered Employee Letter
75 YOS Letter
Generic Letter

Attachment B - Early Out Retirement Packet Contents

State Employees' Retirement Guidelines
Early Out Retirement Seminar Schedule
Acknowledgement of Receipt of Retirement Application Card
7 x 10 pre-printed manila envelope
R515G – State Employees' Pension Estimate Worksheet
R510G – State Employees' 2002 Early Out Retirement Application
R511G – State Employees' Sick Leave Payout Beneficiary Designation
UG2787 – State of Michigan Retiree Life Insurance Beneficiary Designation Form
R423M – Insurance Options
R329M – Group Insurance Application
R277X – Electronic Funds Transfer (Direct Deposit) Application
R12X – Pension Recipient's Federal Income Tax Withholding Authorization

Attachment C - Notifications sent to Applicants

Acknowledgement of Receipt of Retirement Application Card
Early Out Bulletin from ORS
Rollover Letter

Attachment D - Information on the Web

Early Out Online Estimator
2002 Early Out Plan Highlights
What to Do, What to Expect
Early Out Frequently Asked Questions

- General Information FAQs
- Purchases and Rollover Information FAQs
- Calculating your Pension FAQs

Early Out FAQs on Human Resources Related Information

B. Purchases & Rollovers

OVERVIEW

The Customer Accounts staff provided potential Early Out retirees with billing statements for service credit purchases and posted service credit purchases to member accounts and/or existing Tax Deferred Payment (TDP) agreements.

THE PROCESS

The spreadsheet used to calculate actuarially based billing statements was distributed to Customer Accounts phone staff in addition to service credit specialists. The actuarial billing spreadsheet enabled many staff to generate Universal Buy-In billing statements with minimal training. The spreadsheet provided consistency and accuracy in billing statements. Most actuarial billing statements could be processed with less than a 5-day turnaround.

Qualified Rollover Certifications and valid billing statements were faxed to CitiStreet in the event that the potential retiree did not contact CitiStreet directly.

Members were contacted directly in the event that the money received did not purchase full year/month increments of credit (for applicable bills) or pay the amount in its entirety (court of record, repayment of refund, etc).

If money received was to be applied against an existing TDP agreement, HRMN balances were reduced to reflect pay down information and HR departments were notified. Members were sent confirmation that money had been applied to TDP agreement as well as the balance remaining to complete the agreement. If a Qualified Rollover Certification form or TDP Payoff Pay Down form had not been submitted prior to receipt of payment, the forms were sent to the member.

DETAILS

Billing statements processed during 2002

JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC
603	3114	2176	3703	1562	627	1207	1254	1058	632	464	273

Rollover purchases processed during 2002

JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC

24	118	299	899	1047	736	553	634	890	444	59	43

LESSONS LEARNED

What worked well

- Part of the procedure to post a rollover purchase to a member's account includes completion of a Qualified Rollover Certification form by the member verifying that the source of funds is a qualified plan (401a, 401k, 457, or 403b). Notifying members who had not submitted the Rollover Certification became very time-consuming and delayed the posting of service credit to a member's account. In July it was determined that money received from CitiStreet was in fact from a qualified plan. This eliminated the need for rollover certification forms and reduced the delay in processing purchases.

- Initially, actuarial based service credit purchases could only be made in year/month increments. Often the rollover money received did not purchase credit in full years/months. Members had to be contacted to remit additional payment or have the overage returned/refunded. Beginning 10/1/02 the service credit for actuarial purchases switched from years/month increments to decimal and purchases could be recorded without waiting for additional money.

What didn't work well

- Once legislation for the Early Out was passed, many applicants contacted ORS to see if they were eligible to purchase service credit. It was unclear if members on a leave of absence, in layoff status, receiving Weekly Worker's Compensation benefits or belonging to the Defined Contribution program were eligible to purchase credit.

- Prior to the early out, many ORS staff did not need to verify receipt of payment outside normal processing time. Many early out applicants waited to initiate rollovers until the last possible moment, presumably for optimal market value. Phone staff was quickly trained in viewing payments in Cashview and to encourage applicants to initiate the process as soon as possible to make sure that payments were received on time. Because of the short time frames, staff did not have an adequate comfort level when performing searches in Cashview.

- TDP agreements were not verified for accuracy by the HR offices or ORS. Many early out participants had to be contacted because the dollar amounts received did not correspond to the amount of credit indicated on their TDP agreement.

- Instructions on the Qualified Rollover Certification form indicated that the member must initiate rollover, however, incorrect information was relayed to early out participants regarding the rollover process. Many individuals were told that ORS would submit the Qualified Rollover Certification form to CitiStreet (or other source of funds). This delayed the process for many individuals and required ORS to contact CitiStreet to expedite requests.

- The Qualified Rollover Certification form did not have an area specific to TDP agreements. Also, there was no means of identifying post-tax payments for TDP pay down when money was remitted. As a result payments were applied to a direct purchase at time of receipt rather than posted against a TDP agreement. Members, who had received a receipt when payment was posted, did not realize that the receipt did not apply to their TDP agreement until overpayments had occurred.

- Manual payroll deductions through HRMN did not get picked up by ORS. Many annual leave payments, as well as other deductions, were entered manually by human resources. The manual entry was not automatically reflected in the TDP database. Many agreements that were paid in full were showing in the database as incomplete. The manual deductions could be verified, but required additional steps by ORS.

- Communication between ORS & CitiStreet failed. CitiStreet set one date for last day to process payments prior to member's termination date. ORS did not set clear guidelines for rollovers and had to accommodate requests submitted by employees on their last date of employment. CitiStreet began sending reports to ORS detailing rollovers processed, but the procedure was initiated late and many ORS staff were not aware of the information.

SUGGESTIONS FOR THE FUTURE

- Include information regarding purchase types, payment methods, and purchase instructions with retirement application packets. In addition to a "years of service" letter and pension estimate, provide each applicant with a Universal Buy-In billing statement.

- Educate HR offices regarding completion of TDP agreements and their role in the successful completion of purchases. This should include clear instruction on determining appropriate percent of mandatory deductions for eligible annual leave payments. 15% was used to account for Federal, State and Local taxes.

- Train staff on purchase types, eligibility requirements, cost basis, viewing cash received prior to posting, determining amount of service credit purchased and verification that purchase has been added to member's account. Set up an "information station" of service credit purchases at the application drop-off station. Members would be able to obtain information and service credit purchase applications without having to speak directly to a staff member.

- Redesign Qualified Rollover Certification form with clear instructions for member. Request more input from member (i.e. is the rollover to be applied against and existing TDP agreement? What amount of credit does the member intend to purchase?)

C. Service Credit Evaluations

OVERVIEW

The 2002 SERS Early Retirement Program was announced February 5, 2002. Even prior to the announcement, rumor about the impending program caused requests for Service Credit information to increase dramatically. The in-house program which allowed staff to provide projected "points totals" as of the three effective dates was very helpful in regards to assisting customers in their future planning. For many State employees considering the EO, this was their initial "heads up" as to the amount of service credit documented in our office. Conflicts arose in many areas. While temporary staff was hired to process the increased call volume as well as the processing of the EO Retirement Applications, the existing staff handled service credit conflicts. In addition, these same staff members were also responsible for processing service credit purchases, which also experienced a large spike in demand.

THE PROCESS

The conflicts affecting Customer Accounts relating to Service Credit issues came in two phases. The initial phase involved State employees contacting our office to determine if they were or would be eligible prior to submitting their retirement application. Typically, a letter, phone call or email requesting a years of service total was provided on a first in/first out basis. A follow up contact from the potential EO retiree disputing the total would result in the Customer Accounts staff requesting the file and completing an in-depth evaluation. This evaluation often resulted in revised service credit due to the following circumstances:

- Intervening Military
- Worker's Compensation
- Grievance Awards
- Refunded Service Credit
- Comparing Continuous Service Hours from HRMN
- Crediting of part-time employment

The second phase involved the same issues, but was focused on State employees who had applied for the EO. Temporary staff hired to process the Retirement packets served as the "point man" for these re-evaluation requests. The EO applicant's retirement file was not retrieved from the records unit and a new paper EO file was created. This caused major complications to our normal processing. When a re-evaluation request occurred, the EO file was sent to the Customer Accounts unit. This file drove the process, however did not typically contain the information needed by the Customer Accounts staff to resolve the issue. The CA staff would then have to order the actual file from the Records Unit, resulting in an unnecessary delay. Customer Accounts staff was then asked to make copies of the response for both files. Staff then had to coordinate the movement of both files back to their respective locations, EO file to the temporary staff and the actual file to the Records Unit. In addition, EO temporary staff used STARS to track the EO Application file. This process was not available to Customer Accounts staff. The actual file was tracked in Lightspeed Tracker. Since both files were almost identical in nature, mix-ups often occurred. In addition, staff often overlooked the additional step of making the file copy. This resulted in EO temporary staff being unaware of how or even if the conflict was resolved. If the EO applicant still was unsatisfied with the result, this laborious process began again. Because the EO Temporary staff had little if any Service Credit training, they were rarely able to make decisions regarding the validity of the conflicts. Many EO Applicants needed accurate information to determine how much, if any, service credit needed to be purchased in a very small window period. These delays caused customer anxiety to reach a high level.

DETAILS

The following is a breakdown of the processes performed by Customer Accounts relating to Service Credit Evaluations by month:

Manual Service Credit Evaluations:

Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
54	118	279	127	57	59	37	23	42	41	55

SERS Correspondence:

Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
163	257	517	408	217	264	212	204	206	121	116

Years of Service Requests**:

Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
490	355	469	118	99	164	187	102	108	133	153

** Years of Service requests include MPSERS requests also, however due to consistent Statement of Account mailings, these are minimal.

LESSONS LEARNED

- Hindsight tells us that it would have been in our best interests overall to spend the time pulling the actual file for each EO applicant when the application was received in the office. This would have resulted in better file tracking as well as file location. It would have also allowed the Customer Information Center staff the ability to determine the status of service credit disputes based on file location. Ultimately, both files were combined when processing was completed.

SUGGESTIONS FOR THE FUTURE

- Many recent changes affect how we would process service credit disputes in the future. The December 2002 mailing of the first SERS Statement of Account has resulted in the discovery of many of these service credit issues prior to the time the member will file for retirement benefits. Subsequent yearly mailings will continually improve the integrity of the information currently residing in Clarety. It is anticipated that the level of service credit disputes would sharply decrease in any future EO program.

- The migration to a paperless environment through imaging will eliminate the need to have a paper file for processing retirement applications. In the event that a service credit dispute occurs, and the actual file is needed for resolution, only Customer Accounts staff will be accessing this file.

- Education to Human Resource staff via ListServ regarding the Continuous Service Hours counter in HRMN could reduce some inquires. Additionally, the ORS website as well as the SERS Statement of Account, could also provide a more comprehensive explanation.

D. Contact Center

OVERVIEW

The 2002 SERS Early Out (EO) was announced February 5, 2002 and phone calls, correspondence and email increased daily. Many questions couldn't be addressed until the Governor signed the proposal. Personalized Retirement Packets for all eligible employees who qualified with 75 points or more at the time of their termination date were prepared. Later, learned packets could only be mailed to employees with 80 points or more at the time of their termination date (this was a decision made by the Office of State Employer). All others had to request their retirement packet, which caused additional calls, email, correspondence and walk-ins. Customer Information Center (CIC), started to prepare for the impact of customer's phone calls, email and walk-ins. CIC hired and trained 10 temporary agency staff to help with phone calls. Because of the short time frames involve, the temps were given an abbreviated training in SERS and the Early Out. The temporary staff was hired in February and went live on the phone in March.

The EO proposal was finally signed on March 26, 2002 at 9:15 AM. with an open window period of April 1st – 30th to submit their retirement packet. One month for the employee to decide to retire along with fears, anxiety and limited time caused a great deal of customer and the Office of Retirement Services (ORS) employees stress and frustration.

THE PROCESS

Customer Information Center staff were given the excel program to help calculate the 80 point eligibility requirement and the excel program to prepare Universal Buy-In bills (See Data Collection section). All retirement applications received were added to the STARS Look-up Access Database for a quick confirmation as to receipt of the application.

Trained Temporary Staff received calls through a separate vector, Active Accounts (S28), compared to CIC staff. When EO customers called ORS and chose the Active State Employee menu/prop, they immediately went to vector 105 to be serviced by the temporary staff. Temps were receiving many calls from MPSERS and retirees and we had to revise the up-front phone message menu/prop. We clearly defined "Active State Employees" verbiage and had it follow the MPSERS and Retiree menu selection.

The ORS Customer Service email increased from 50 a day to 200. CIC decided to add an auto response to email received giving the EO customer an expected response from our office within 10 business days. Later, we asked customers to use "Early Out" in the subject area and implemented a separate mailbox for EO email received, so we could respond to their email with a priority over non-EO email received. This also gave the EO Temporary processors access to the ORS Customer Service mailbox titled "Early Out" to help with responding to EO email. Also, initiated a generic responses for certain subject matters and a consistent closing response including ORS website that could be cut and pasted to the email responses. CIC staff was given overtime to do email with a goal to respond to six or more email per hour.

After ORS closed Conference Room D, which was the designated pick-up/ drop-off area and counseling for EO applicants, CIC walk-ins increased from an average 10 a day to 44 per day. CIC supervisors and Out-Reach staff decided to do all walk-ins, so CIC staff could focus on answering the increase number in phone calls. Later, the EO temporary processors assisted us with walk-ins. Phones were installed in each walk-in cubicle so customer's concerns and issues could be resolved immediately to prevent future visits, multiple phone calls, email and correspondence. The Universal Buy-In bill excel program was installed on each walk-in computer to prepare the bill immediately to avoid sending the request to Service Credit and delaying receipt of payment.

EO correspondence prior to signing of the EO proposal through receipt date of the customer's retirement application was handled as a priority. If the retirement application was on file, the correspondence was given to EO processors. Later, EO processors were given phones and assigned to specialized subject matter, i.e.: Insurance, Final Average Compensation disputes, and making corrections. This helped CIC to contact the specialized EO processor to resolve the customer's concerns quickly and decrease the amount of the time on the phone with the customer.

DETAILS

	Inbound Calls	Calls Answered	Walk-ins Seen	E-Mails Answered	E-Mail Response Time	Correspondence *(includes all forms sent)
3/2002	32192	21722	500	1909	.4 days	4065
4/2002	47753	31035	1479	3726	.9 days	6264
5/2002	26741	20109	599	498	1.4 days	4007
6/2002	31664	14764	539	1537	1.1 days	2603
7/2002	35852	14872	521	1559	1.5 days	2612
8/2002	25466	19090	585	885	.95 days	3265
9/2002	26072	16995	506	853	1.3 days	2350

10/2002	30833	22739	485	1144	2.05 days	4070
11/2002	19013	15742	281	1030	2.76 days	1820

LESSONS LEARNED

Most Early Out Retirement proposals are made public and signed by the Governor with very little time for ORS to prepare and make major decisions. Communication is a big factor with CIC staff in giving complete and accurate customer service.

- The temporary staff hired for the Early Out Retirement should have been hired earlier to give them more time for training and "hands on" experience. This would have eliminated the constant interruptions to permanent staff and inconsistencies of answers to customers.
- EO processor were using CPPUP through intranet to input EO applicant retirement information, estimates, FAC calculations and insurance benefits. CIC had access to CPPUP, but later learned the read capability was not giving them all the data keyed in by the processor. This caused confusion and inadequate information for CIC staff when helping the customer.
- EO processors should have been given phones immediately to give CIC staff quick and easy verification to the customer's questions and concerns.
- When the EO retirement application was received another file was created, which caused confusion and duplication between the original file and the newly created EO file.
- When the EO retirement application was received another file was created, which caused confusion and duplication between the original file and the newly created EO file.
- Early Out resource/specialist should have been accessible at all times to avoid inconsistent information and to keep staff aware of changes or decisions.
- Major SERS insurance changes during the EO process caused conflict and confusion for the active SERS employee transitioning into retirement.
- Implementation of a new system should have been placed on hold until after the EO was completed.
- Supervisors and Out-Reached staff doing all walk-ins to keep CIC staff on the phones at all times improved the daily "Forced Disconnects" of calls.
- Auto response and cut and paste for generic responses to ORS Email gave timely and consistent answers for the EO customer.
- Having the capability to prepare Universal Buy-In bills and the 80 point excel calculator installed on all CIC and walk-in computers prevented "hand-offs" and immediate and accurate customer service.
- Installing the phones in each walk-in cubicle saved time for ORS staff and the customer and gave immediate answers to customer concerns.
- Later, EO processors doing all EO walk-ins helped CIC supervisors focus on

active MPSERS and regular MPSERS/SERS retiree walk-in questions.
- Additional Pre-Retirement Informational Meetings (PRIMS) set up by Out-Reach staff helped with the increase amount of phone calls, email, correspondence and walk-ins.

SUGGESTIONS FOR THE FUTURE

- Take more time with the initial review of the retirement application process.
- Ownership of the file/application from day of receipt through putting applicant on payroll.
- Retirement packet should be more user friendly.
- Live Video Conferencing should be available.
- FAQ pamphlets available immediately at start of EO proposal.
- Have a Human Resource Website available to customers.
- Two specialist/resource staff available at all times to give consistent answers and keep ORS staff informed of changes.
- ORS Receptionist should not be students due to difficulty working around their school schedule in order to keep the Front Desk manned and the student aware of the constant changes and updates.
- Walk-in appointments should be scheduled to shorten the walk-in time spent on each customer. A pension estimate could be prepared prior to the walk-in appointment. The file could be pulled and available at the time of the walk-in to have the most current and updated information available. This would save time searching offices for the member’s file and having access to the most recent correspondence prepared and received.

E. Data Collection and Tools

OVERVIEW

The day the 2002 SERS Early Retirement was announced ORS started compiling service credit, purchase and demographic data for all state employees. Steps along the way included; 1) collecting and compiling data to form initial estimates and projections of number of eligible employees depending on proposed eligibility scenarios. 2) providing these projections to different state agencies and lawmakers 3) using the data to produce individual benefit estimates to those eligible or potentially eligible 4) providing data and lists of applicants to departments for various reasons 5)providing data in various forms to ORS to be used in generating estimates, answering phone calls and ultimately completing the retirement process.

THE PROCESS

On February 5, 2002 the SERS Early Retirement Program was announced. On that day we requested queries from SRVS and MIDB and combined with data on previous purchases started compiling files and spreadsheets to project how many employees would be eligible using varied age and service requirements as well as what departments they were from and how many from each department would become eligible. At this point the ORS analysts compiling collecting and analyzing the data did not have MIDB access or training. The SRVS queries had to be requested from ITSD. The data on purchases came from the cashview and TDP databases.

On February 12, 2002 ORS had initial estimates of number of eligible employees and a breakdown of how many there were per department. That initial estimate of those already eligible with 80 points was 7,724 and the initial estimate of those potentially eligible with UBI purchases was 12,706. Data compiled on May 23, 2002 shows that the actual number of applicants was 8,379. The actual number of retirees was 8,012.

The same data used to create the initial estimates was further refined and audited through more MIDB and SRVS queries. This data was then combined with wage data also acquired from MIDB to create pension estimates for all employees. To estimate service credit the total service credit through February was projected to the earliest possible retirement date (July 1, 2002) and also the latest possible retirement date (November 1, 2002). To estimate the employees FAC each employees total wage from the previous year was used. The reasoning was that in most cases this would be the middle year and thus the average of the employees highest three years. The estimated pension benefits were then used in the creation of personalized letters sent to all employees deemed to have 80 points. Letters were also printed for all employees with 75 points. Retirement packets and letters were sent to all employees estimated to have 80 points. The letters for those with 75 and more points were printed and on file at ORS and available to employees who requested them.

The same data that was used to produce the estimate letters was put into a spreadsheet that was created for use by ORS staff. The spreadsheet stored data for all employees and allowed phone staff to estimate eligibility for someone over the phone.

ORS faced the obstacle of training temporary staff not only in the retirement process but also in the utilization of the various applications used by ORS to acquire data. The HRMN program was the biggest obstacle in terms of training and in terms of the time required to obtain data. All data needed from HRMN was identified and MIDB queries were written to acquire this data on a bi-weekly basis. An access database was created that stored and made available all data that was needed from HRMN. This completely eliminated the need for the temporary Benefit Management staff to use HRMN in the initial estimate or closeout process.

Data sources

These sources were used to compile data on employees.

MIDB
SRVS
Cashview
Citistreet

Ad Hoc Reports

Throughout the entire process various departments and individuals requested data on the number of applicants, number of eligible employees and certain data associated with those applicants. This list included:

Budget

- Lists of applicants and eligibles divided by department and retirement plan. This breakdown was provided at three or four different stages of the process.
- A breakdown of applicants and the insurance options for each.

Parking

- Lists of applicants were provided with a breakdown by department, worksite, effective date and parking codes.

MIDB

- A list of all applicants was provided to MIDB on a weekly basis throughout the process. This list was then made available for each department through MIDB so that they could track the status of their employees and their effective date of retirement.

DIT

- At about the same time that the Early Out was announced the Department of Information Technology was being created. At the time people in this department were still listed as being in their original departments. DIT provided ORS with a list of its employees and ORS provided it with a list of all DIT employees who had applied for the Early Out.

Office of State Employer

- Provided with the same lists used to send packets to potential eligibles. OSE used the list to send insurance related mailings.

Corrections

- List of corrections employees who received retirement packets.

Senate

- List of employees with 80 points and in the Defined Contribution Retirement Plan.

Tools

- Counting to 80 spreadsheet – Used the data files from the estimate letters put it into a spreadsheet version of the counting to 80 worksheet that was sent to employees in the retirement packet. This was used primarily by phone staff.
- HRMN database – All information needed from HRMN for pension estimates and processing a file for retirement was queried from MIDB and put into this database. Staff processing estimates could then get all HRMN data in one report by simply entering the member's SSN. The database was updated on a bi-weekly basis.
- Packet request database and address lookup – the packet request database was used to store requests for retirement packets. To go with it a spreadsheet containing the names and addresses of all state employees was created so that staff could easily look up the address of the employee requesting the packet.
- Actuarially based billing spreadsheet – enabled Customer Accounts phone staff and walk-in staff to generate Universal Buy-In billing statements with minimal training. With this spreadsheet, most billing statements were processed with less than a 5 day turnaround.

DETAILS

Separate letters and packets were produced according the total service and the retirement code of the employees. Packets were mailed to those employees with 80 points. The letters for the employees with 75 points were printed and available upon request, but were not mailed.

		80 points	75 points
Retirement Code 01	Covered	459	757
Retirement Code 04	Regular	8325	4849
Retirement Code 40	DC	611	120
Non Central Agencies		26	

A database was set up to store requests for packets.

- 3408 packets were requested.

LESSONS LEARNED

- Mailings produced by Print and Graphics Services or any place outside of ORS need to have an audit after the printing and before the actual mailing. When member statements are printed someone from ORS audits the final product to be sure that everything was printed correctly and that mail merges were correct. In the case of statements this inspection and audit has averted problems. In the case of the packets there was one group of packets that somewhere in the process the file was incorrectly sorted and the addresses did not match the names. An audit of the finished product at Print and Graphics of the final product would have discovered this. Instead the packets were mailed and the mistake was discovered after it was to late to stop the mailing.

- Putting data in an easily accessible form such as a database or spreadsheet and limiting the use of slower applications or applications that require security access or training to use is a major time saver in terms of processing and training time.

SUGGESTIONS FOR THE FUTURE

- Set up a process to receive and respond to requests from outside of ORS for Ad Hoc reports and data. Although these requests were met by ORS, they often came through various avenues and sometimes were not as clear or defined as they should have been. With a designated ORS contact there could be more direct contact between the requester and the person that would be gathering the data and compiling the reports. A form could be developed to request the data, track the progress of the request and document the source of the data.

- Be certain that data sources used for projections, reports, and estimates are a common source. All data should be coming from the same sources so that it is consistent throughout the processes.

- Have plans in place for acquiring service credit, FAC and demographic data. Be familiar with query capabilities of Clarety and procedures for requesting and receiving queries. The data sources used for the Early Out (SRVS, Cashview) have been replaced. ORS and Covansys need to have a plan in place in advance to produce this data.

- An analyst or manager familiar with ORS procedures, capabilities, laws and limitations should work with the legislative liaison to help insure that any Early Out provision is written in the most favorable way possible for quick and accurate processing by ORS. Sometimes just a few words or an added definition or being more or less specific can make a huge difference in the ease with which ORS carries out its role in the Early Out process and in many cases this could be accomplished while having little or no effect on the overall provision.

F. Application Processing: Determining Eligibility

OVERVIEW

Early Out legislation specified unique age and service requirements, calculation percentages, a 30-day application window from April 1 – April 30, 2002 and a May 15, 2002 rescission date. This was going to require system updates and a very quick turn around time for generating a pension estimate.

PROCESS

System queries estimated a potential population of over 9,000 employees that could be eligible to apply for the Early Out program. Since members had fifteen days beyond the last date of application to rescind their application, we had to generate a pension estimate based on their application information preferably by May 3rd, no later than May 10th.

An early out team was quickly formed led by a supervisor and auditor previously involved in the 1997 Early Out program.

If we were to generate 8,000 pension estimates in 30 days, we would need to process a minimum of 2,000 applications per week. This was assuming that we would receive applications on a steady basis, however past practices showed that the majority of applicants waited until the last week to apply for benefits. We were anticipating receiving the majority of our applications during the last two weeks.

We reviewed current benefit management staff's workload and identified no capacity due to the influx of Michigan Public School applications that we receive with a July 1st effective date. We did not want to compromise delivering pension estimates to the MPSERS applicants within 10 days of receipt of their applications.

It was decided to hire temporary staff to input early out applications and generate pension estimates. Recognizing a learning curve we anticipated an individual being able to complete 10 – 20 retirement applications a day as they became more experienced.

Originally our plan was to hire 40 temporary staff, advanced clerical workers from two temporary office sources. We were going to have four shifts of ten come in for training. Our first group would begin March 4, 2002 then March 11, 2002 next March 18, 2002 and finally March 25, 2002 with anticipation that all staff would be trained by April 1st. As we did not have systems built and ready for training yet, we actually ended up getting 20 staff on Monday, March 25, 2002 and the remaining 20 began on Wednesday, March 27, 2002. The supervisors of the Early Out team would split the staff and train and supervise their production.

Since we would have one week to train each temporary staff group we quickly identified the need to automate obtaining wage and service credit information and calculating pension benefits. This would reduce the potential for significant errors in generating a pension estimate.

Our current systems were not designed to accommodate the special requirements of the early out program. We met with ORS analysts and Department of Information and Technology (DIT)-Application Support staff (formerly ITSD-RASS) to develop system enhancements for SRVS, CPPUP, STARS and on-line calculators to assist us in retrieving wage and service information. We had 30 days to write a detail design, test and place in production system enhancements.

We had to write and develop procedures and process workflows based on our anticipated system enhancements and on line calculator designs.
See Attachment A - Early Out Application Process workflow and Appendix H – Policy/Procedure Updates

Prior to the arrival of our temporary staff we had to locate space for the application files to be distributed, work stations, request computer access, printers and space for training.

When our first group of 20 temporaries arrived on March 25, 2002 we reviewed our workflow, set up procedures, forms, explained the provisions of the early out legislation and production standards. Our system enhancements were in process, however they were not tested or completed.

The work stations for our temporary staff could not be set up until they had the individual's names and work station locations. We did not have the names of our temporary staff prior to their first day of work, March 25, 2002. Resulting in issuing temporary logons.

Our system enhancements were still in test mode, so temporary staff had to practice using our old system or the test environment. This resulted in a very frustrating training experience. As we now had less than a week to get all staff members trained we did an overall training and then the Early Out supervisors split them in groups of three and four and did individual training at computers.

Additionally we decided to use one temporary staff position as a file clerk to pick up files and organize in filing cabinets by effective dates. One person could not keep up with the workload and we had to hire a second temporary person to assist in the filing needs of the section.

Our system enhancements were completed and placed in production on March 29th and our first set of applications arrived April 1st.

DETAILS

	4-1 to 4-7	4-8 to 4-14	4-15 to 4-21	4-22 to 4-28	4-29 to 5-5	5-6 to 5-12	5-13 to 5-19	5-20 to 5-26	5-27 to 6-2	
Apps Recd. - Eff Date 7-1	274	381	505	568	226	9	7	5	-	1,975
Apps Recd. - Eff Date 8-1	29	24	76	118	51	1	3	-	-	302
Apps Recd. - Eff Date 9-1	27	58	106	113	56	-	1	-	1	362
Apps Recd. - Eff Date 10-1	23	92	157	271	135	3	3	-	-	684
Apps Recd. - Eff Date 11-1	193	526	1,032	2,010	1,373	21	3	1	2	5,161
Total Apps Received	546	1,081	1,876	3,080	1,841	34	17	6	3	**8,484**
EO Apps Revoked	-	2	-	-	-	71	289	17	-	379
Estimates Processed	412	917	1,740	2,697	2,004	422	69	8	51	8,320

LESSONS LEARNED

- We did not have a clean process for the exception accounts, NCA, DC, ACT 88, EDRO, Worker's Comp, MPSERS wages, and lay offs. Required experienced staff assignments, supervisor's assistance and additional training.
- It was very difficult having only 2 supervisors available to support 40 new staff members.
- Computer access should be established and tested prior to assigning staff to a desk.
- Insurance applications should have remained with the files and pulled for pre-processing 30 days prior to effective dates instead of separating them at set-up to eliminate multiple updates and changes being sent to the carriers.
- Having the files in one central location was beneficial.
- Setting production standards and providing temporary staff with overview of the goals and objectives that they were expected to meet allowed us to quickly identify poor producers and replace them quickly.
- Received 58% of our applications in the last 2 weeks.
- Located staff in one area, training in smaller groups and teaming temp staff up with a buddy worked well in minimizing questions.

- Should have done a quick audit of estimate letters looking for blatant errors, YOS, FAC.

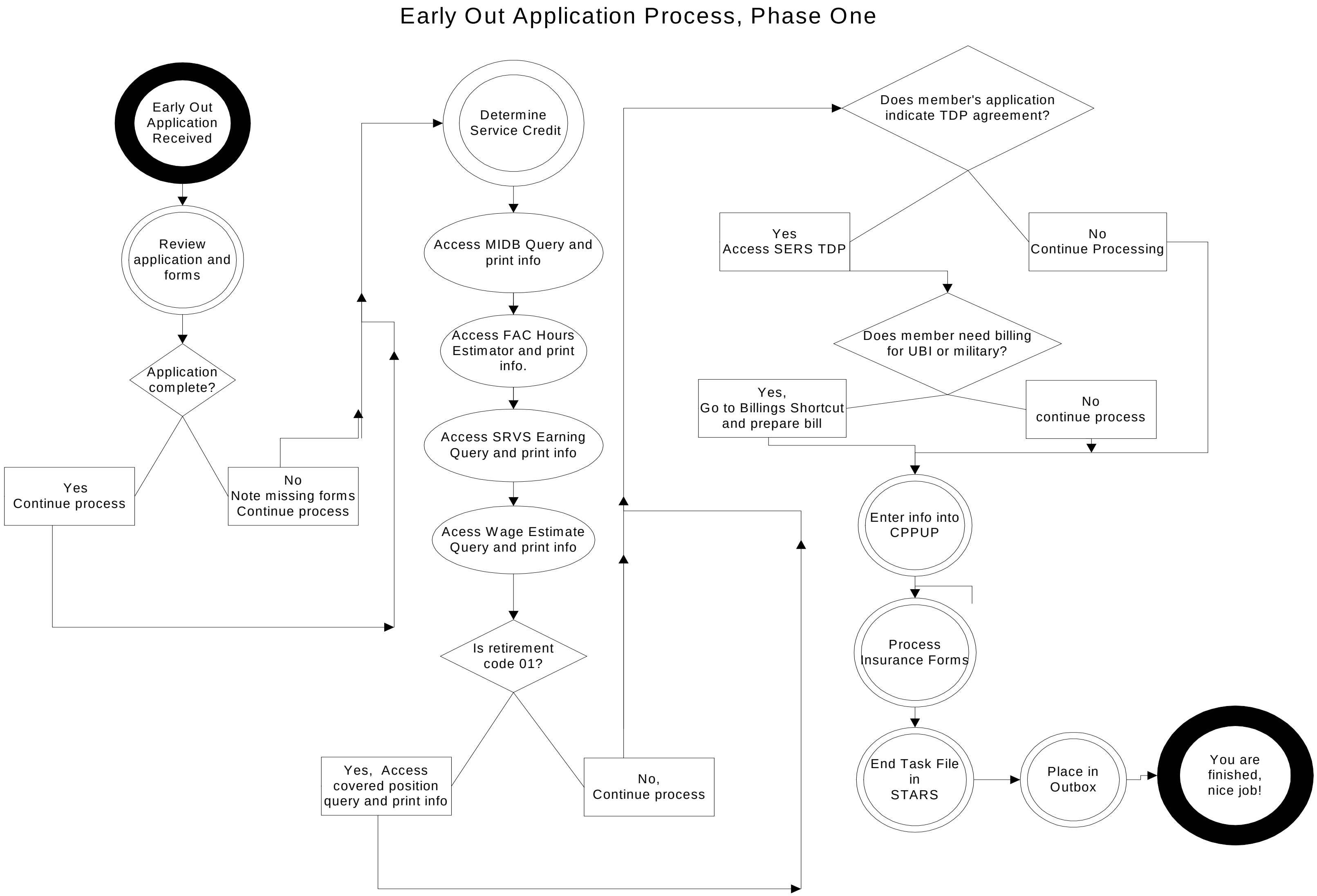
SUGGESTIONS FOR THE FUTURE

- Strive to have system enhancements tested and in production a minimum of 1 week prior to the first day of applications can be received. Do not train staff on systems that will change at go live as this created some errors and confusion.

- Test user id logons and computer access prior to staff's arrival.

- If possible, initially have experienced staff available in addition to the supervisors to assist with answering questions.   Ratio of 1 – 6 would of worked out well.

Attachment A – Early Out Application Process Workflow



G. Determining and Auditing Final Benefits

OVERVIEW

The early out legislation resulted in over 8,000 people applying for and being eligible to receive a pension benefits for the months from 7-1-02 through 11-1-02. In addition there were extensions submitted for a time period of 12-1-02 through 5-1-04. For the applications received we had over 2,000 with an effective date of July 1 and approximately 4,000 for the month of November. This meant we would have to update our process and systems to enable us to complete over 90% of these files within 60 days of their effective date.

PROCESS

We began processing pension payments for the July 1 effective dates. In July we had over 2,000 members to place on the July and August payroll. We initially identified that we would need to have a minimum of 20 people in order to meet our 90% goal. From our initial early out team, we reviewed the daily production of staff members and we evaluated them as to their ability to work quickly, efficiently and accurately. We then chose those people to remain at ORS to continue from early out estimates to learning the closeout process. This 20 included staff to process files, continue working on insurance and correspondence, and one person that was a file clerk.

Next, we identified which tools we would need to either be redefined or built in order for us to have the data we needed, in the timeframe we needed, in order to place members on the payroll system quickly. At this time we were still using the CPPUP and SRVS systems as our main tools. We again worked with ORS analysts to have tools created that would enable us to prepare these payroll files timely. In addition, we had worked with DIT-Application Support staff to have an earnings calculator created from SRVS that would enable plain vanilla files to quickly compute an FAC period and wages before payoffs. A big difference in the early out files was that from 7-1-02 to 10-01-02, no one would receive their payoffs so we would need to know leave balances and manually determine the monetary value and what should be included into their FAC.

So, with our new enhanced tools that included a HRMN data sheet where we received all leave balance, wage history, demographic info, etc, the SRVS earnings summary, a final calculator that determined from the last day work the final FAC wages, and the TDP history, we developed a procedure to place our member's on payroll. Once again, we had a relatively short period of time to train staff in the process and we broke it out by small teams to do training. In addition, we had one-on-one time scheduled for each staff using real files to complete.

In addition to building tools, we had queries run that enabled us to know the last day worked of each member, per their retirement application. The members that applied that were currently laid off would be able to be placed on pension payroll within the 30-day period. In addition, we identified those members that their last day worked enabled us to get final wage information prior to our July payroll cutoff.

Next we identified the files that were going to require more specialized attention, as they were unique in some way. These were our files where members were previously on laid off status as our new tools did not accommodate them, part-time people, those using reciprocal act to qualify, member's with worker's compensation, files that had grievance settlements that needed to be reviewed, those that were including MPSERS money in their FAC, any file that had an EDRO or was in the process of completing an EDRO, and member's of the defined contribution plan. If any file met any one of these criteria it was placed out of the normal processing rules. We then identified particular staff and we trained different individuals on these processes. When we identified these, we always attempted to train a minimum of two staff to ensure we had no lapse in processing these members. A few of these areas, such as worker's compensation, EDROS and grievance settlements, we determined could not be completed by early out temporary staff and they were routed to more seasoned employees on the early out team.

We set our processing goals for each staff member completing a minimum of 10 files per day in order to ensure that we were on task for completing our files within our 60-day period. This was reviewed each day and was communicated to staff. Overall, staff exceeded their goals each day.

In addition to the processing for closeout, with this process comes the necessary step of an audit process. We began July with having 3 of the early out temporary staff be trained on the process of audit. After they were trained on the technical aspects of auditing, we then gave them access to audit capabilities. We also prepared an audit requirement document that detailed which files should be filtered through a more experienced auditor. We ran into some problems in the audit area as it was determined that early out temp staff could not be auditors. We then had a period of time prior to determining who would audit where over 1,000 files ended up in backlog. For the month of July (for August payroll) audit was an issue. However, we had a plan in place and designated auditors after that time.

During our initial push to complete payroll processing we identified a few areas of some concern. First we realized many people that were choosing to purchase service through rollovers and TDP payoffs, were not completing the necessary forms and making the payments timely. We also began getting questions from members who wanted to rescind after the May 15th date and stated they wouldn't be eligible if they didn't make their purchases. State Human Resources made a determination that whether members bought time or not, they would be terminated per their early out application. We then sent a bulletin to all early out participates telling them that if they did not make the required purchases, they would be terminated and placed in deferred status.

Another issue resulted with the high volume of member's choosing the equated option. We were getting only the annual statements that members get mailed to them from social security each year. As this statement makes an assumption that they will work until age 65 (or full retirement age), we realized that what they were sending would result in a reduction that would not bridge their social security when our pension reduced at age 65. We again sent correspondence to each early out applicant making them aware of this fact and that if they wanted to ensure that they had a fluid amount of money at age 65, or close to it, they would need to contact social security and inform them that they were terminating employment and to obtain a revised statement to send to us. This was the member's choice; we just ensured they were aware of the consequences if they used the annual statement.

Another issue we had to address beginning with the August 1 retirees being placed on the September payroll was a conversion to Clarety within ORS. Previously we had been using SRVS to receive a member's final service credit. With the old system, anything with 10 or more days residual, they were given 1 more month of service. For instance, if you had 30 years 10 months and 13 days you were placed on payroll with 30 years 11 months of service. With Clarety, we began to have the ability to count and calculate service in an FAC to the exact hour and there was no longer a variance. What this resulted in were members receiving their final letters and it stated less service than their estimate letters indicated. We had to define and defend the new system and the lesser amount of time.

In addition, with Clarety we had multiple processing issues with our equated files. It would either not take the equated and documents would only have the option selection of their choice without equated. Example if they choose an Option A equated, we could only get an Option A amount, not the advance until age 65 and the age 65 reduction amount. This delayed in the processing of the equated each month and we managed to eventually get them to run correctly, however, we had to do some clean up to ensure that all members choosing equated were receiving the proper amount.

With the first months of processing we began to identify those things that were holding us back and that we would need to prepare for the very large November 1 effective dates. We had close to 4,000 members retiring with a November 1 date and we were going to have no more than 5 processing days to complete them.

First issue we needed to address was staffing. We realized we would need another 15 people in order to accommodate the final payroll. However, as previous payrolls were significantly smaller, we did not want the new group here too early, as there was not enough work prior to this to accommodate the addition. So, we decided to bring them in for the October payroll and then have some preparation work done on files for the November 1 dates. We began bringing them in and we did another group of training. In addition, as we had time, we made sure there were real files for them to work with and then we paired them up with one of the staff that had been here since March. We formed small pods of 4 with one experienced staff member. They were responsible for training them, monitoring their progress, and ensuring that they were understanding the process. Again, we had to make sure they clearly understood our processing goals and what we would be attempting to accomplish in November/December for payroll goals.

In addition, as most of the new staff had only went through one payroll cycle we determined that we needed to separate our files by degrees of difficulty and have the least experienced staff, work on the easiest files. We assigned one dedicated resource to go through our files and determine those that had purchases, those that were not working up to their effective date, and any of the above mentioned difficult files such as part-time, NCAs, etc. We kept files in order and simply marked each file with an identifier. So, when it came time to distribute work for the November 1 effective dates, we easily were able to assign those files to the newer staff.

Another project that we decided was worthy in order to quickly go through the November 1 was a prep sheet for each file. We had a lapse in time from when we completed the October files and before we could begin the November files due to payroll dates. So, we had, from previous months, known that unsigned and missing forms were one thing that delayed payroll processing and also that purchases were not always clearly tracked and identified. So, all files were distributed amongst staff for a two-week period and we had a guide to follow for them to check each thing that could prevent payroll processing. If a member's payments were not already credited to their files, calls were made, correspondence sent, and follow up was done to ensure that we could simply pick up file and get them on payroll. In addition, any missing forms or missing signatures on forms was dealt with at this time.

When we actually began to process all the steps above made it much more fluid and timely than if we had to deal with each of these things during the very few days that we had for processing. In addition, for each pod of 4 staff, we had an experienced person with a problem basket and they were to place files in there that they could not complete in order to keep staff working. We had to complete at minimum 15 files per day, per staff member to meet our goal of 90%.

During our last big month of processing we had an issue with auditing again. We were going to need a minimum of 13 auditors in order to get the files completed through that process and on payroll. So the manager of Benefit Management took over the audit task and defined a team of auditors that were all experienced ORS employees. In addition, we looked at our dates and realized that we could have a few days from the time payroll locked, until the window was open where we could pull checks. So a decision was made that we would make sure all newer staff's files were audited prior to the payroll lock date. In addition, we identified the longer term early out staff that had been doing very clean work for the last 5 payroll months. We held their files back determining these were the ones least likely to have errors. We then decided these files would be the ones that we would audit from the payroll lock date until the last time we could pull checks through a window that opens in the system. We ended up identifying 5 staff that would not be audited before lock. We managed to get all files audited prior to the pull date.

Overall, payroll processing, even with temporary staff, implementing a new system and the issues with purchases was an overwhelming success. Each month we managed to get at least 97% of member's on within 60 days and in one month, actually hit 100% - a first at ORS.

DETAILS

Early Out files placed on payroll

July	Aug	Sep	Oct	Nov	Dec		Total
192	1,804	407	488	1,002	3,834		7,727

LESSONS LEARNED

- We had many stand alone programs that needed to be updated by various staff with each new payroll. We did not have a clean mechanism for ensuring people responsible knew when to update their portion. Often this resulted in us looking at one system and assuming all were updated and then we would begin to process. We then would begin to realize that not each piece was updated with the latest payroll information and we would need to re-do work previously completed. We needed a defined calendar to share with all staff that was responsible for updating systems.

- Before beginning in April, we needed a clear path on audit expectations and who our dedicated auditors would be throughout the project. What resulted was one of the two staff earmarked for managing the staff and workflow of the early out, basically became a full time auditor. This left one person to manage at times up to 40 people and the workflow, production and any staff issues.

- We found a very easy effective way to distribute work to staff. Goals and production announced to all staff each day helped ensure we were all striving for the same goals. This was done daily through e-mails and also on a white board.

- It is critical to maintain the integrity of your production statistics. There must be constant reviews and revisions to production to ensure that it is accurately reflective of what is pending and completed. This is time that should be spent and is critical to completing your goals.

- During the thick of processing we were allowed to hire one staff person that did nothing more than keep files moving to staff, to audit, getting letters mailed and files returned to their appropriate cabinet for re-file. The volume of files was, at times, the most difficult to manage as we did not want files on individual desks.

- Staff working on the early out were dedicated only to the early out production was critical to our success.

SUGGESTIONS FOR THE FUTURE

- Allow more time for training and writing procedures for each task.

- Computer assignments should be more fluid and there should be a direct path of who is responsible for what aspects of access and security. Improving the time frame from getting a staff's name to getting them all the appropriate logons should be able to be less timely than during the early out. There were times it took a week to get someone all the access they needed to complete all functions of their jobs.

- Have a few more seasoned ORS employees as dedicated resources to the project.

H. Applicants Correspondence/ Forms Processing

OVERVIEW

Individuals that applied for the 2002 Early Retirement Program in April 2002 could choose a retirement effective date from July 1, 2002 – November 1, 2002. Although initial application and forms were received in April, individuals had until their retirement effective date to select health carriers, pension options, IRS deductions and delivery methods.

THE PROCESS

In early May after we sent out pension estimates, we met to decide how best to handle the incoming correspondence, forms and disputes for our early out applicants. Originally we had one incoming box located in our mail area that the mailroom delivered all incoming mail and we asked each temporary staff member to check the incoming box and respond to correspondence and disputes.

This did not work out well. In many cases the oldest correspondence was not getting completed, we had a hard time keeping track of who had a member's file and was working on a piece of correspondence. In addition, completed files were being re-filed in incorrect order.

It was decided to separate incoming mail by type; correspondence, disputes, insurance forms, other forms. We designated two staff to pull application files, match correspondence and place the file and correspondence in a basket for staff to complete.

Insurance forms were being forwarded to two individuals designated to pull old insurance applications, replace with new ones and update the member's insurance options.

A staff member would complete the correspondence and place the file back in a basket for designated staff to re-file. If an issue was complex, staff would forward the file to a supervisor for review and response.

If a member rescinded their early out retirement application we updated our records to indicate withdrawn and re-filed the application in a designated spot for rescinded applications.

If a member was granted an extension date beyond November 1, 2002 we updated our records to reflect the extension date, sent member new estimate based on extension date, and re-filed the application in a designated spot for extended applications.

If a member disputed their pension benefits after they were placed on payroll the disputes were reviewed by either a supervisor or designated staff member to determine if an adjustment was required.

DETAILS

- 335 adjustment requests were received out of 7,727 applications representing 4%.
- 199 required an adjustments, majority of adjustments were for service credit and FAC.
- 136 did not require an adjustment**.**

LESSONS LEARNED

- Providing members with a very rough pension estimate in their initial application packet generated correspondence that could have been eliminated if we had provided them with an estimate only after they applied.

- If we would of spot audited estimates that were going out, we might have eliminated some of the incoming correspondence.

- Designating staff to sort incoming mail, pull retirement application files and re-file when completed worked well.

- We should of kept insurance application forms in the member's file and followed the same procedure that we followed for correspondence to update insurance information. 45 days prior retirement effective dates we could have had staff pull insurance forms to send to the carriers. We had a large number of insurance errors and correspondence regarding insurance errors when individuals were placed on payroll that could have been avoided.

- Designating supervisors and a few staff members to address disputes and recording the adjustments allowed us to keep good statistics regarding the number of files that were processed incorrectly.

SUGGESTIONS FOR THE FUTURE

- Anticipate a high volume of correspondence after original estimate is sent out. Keep all forms and correspondence in member's file for referencing.

I. Policy and Procedure Updates

OVERVIEW

In the planning stages of the 2002 Early Retirement Program it was decided that it would be beneficial to capture and revise policies and procedures specific to administering this program.

PROCESS

As situations unique to the 2002 Early Retirement Program were encountered, the business process leader would draft policies and procedures and the Departmental Specialist would review the policy and procedure and then submit them for approval.

DETAILS

The following policies and procedures were developed:
See Appendix H for a copy of each.

OPER 374 When Participant retires under 2002 Early Out
OPER 375 Insurance premium payments
OPER 376 Corrections Officers and Others in Covered Positions
OPER 377 Conservation Officers ineligibility for 2002 Early Out
OPER 378 Act 88
OPER 379 When a participant is eligible for, but does not retire under 2002 Early Out
OPER 380 Paying of TDPs in Conjunction with Termination
OPER 381 Application Processing
OPER 382 Processing using Reciprocal Act 88
OPER 383 Changing Retirement Effective Date
OPER 384 Treatment of Early Out Service Credit Purchase Money when application rescinded
OPER 385 CETA Service Credit to DC Participant
OPER 386 Notification to Human Resource Offices
OPER 387 Rescinding a Pending Retirement Application
OPER 389 Auditing Early Out Payroll Files

LESSONS LEARNED

- Draft policies and procedures as you go. Allocate time specific to this purpose. Do not put off and wait until after you have administered the change or new policy.

SUGGESTIONS FOR THE FUTURE

- Document policies and procedures specific to program for future use

J. Dedicated Walk-In Area

OVERVIEW

The 2002 SERS Early Retirement Program was announced February 5, 2002. Yet, the delay in signing of the bill and the short enrollment window limited to the month of April, prevented many state employees adequate time to educate themselves on the rules and regulations of the SERS retirement system.

Early in the planning stages of the SERS Early Retirement Program it was decided that an easily accessible pick-up and drop-off point was needed to accommodate the large number of members expected to visit the General Office Building. Maintaining the current security provisions in place during this process was also a concern. As a result, it was decided to convert Conference Room D located off the main lobby into an easily accessible pick-up and drop-off area for State Employees. This area also included the tasks of reviewing applications as they were dropped off and counseling members with Early Retirement questions.

PROCESS

Process Support staff conducted the administrative tasks in the room such as reviewing retirement applications and related forms for completeness while Customer Accounts staff provided counseling for members. In the beginning, it was anticipated to have two temps and an ORS employee staffed to accept and distribute applications. But, by the second week it became apparent that another ORS employee was needed to cover the large volume of members utilizing Conference Room D. Initially, one or two counselors were available on an as needed basis but, this too quickly had to be adjusted.

Originally, Conference Room D was designed to have a pick-up/drop-off area, a waiting area for members, a counseling area and a computer for staff to use during downtime for such activities as making labels and entering application data. By the second week other changes took place besides the increase in staff. Various computer applications were installed providing ORS employees the ability to print out estimates, billings, history information and other data while the member waited. Also, after having to utilize the building manager's copier repeatedly, it was decided to install an ORS copier in Conference Room D. Initially, staff was copying all retirement forms for members and any other forms that they requested.

By the third week it was realized that the majority of retirement applications expected to be submitted, were not yet returned. To try to handle this anticipated flood of applications and questions at the end of the month, modifications were quickly put into place.

Some of the major changes that occurred midstream were….

- The waiting area was rearranged to hold more seating capacity.

- The counseling area was removed from Conference Room D and moved to the B-wing on the first floor and with a reduction of counseling staff.
- Staff from different parts of the organization volunteered their services as “screeners” to answer members general questions and to eliminate the need to see a counselor.
- At peak times, staff accepting applications stopped reviewing all forms and only date-stamped the members card, advising the member they would be notified by mail of any changes or corrections that needed to be made.
- An additional table was added to the drop-off area to provide additional application review space.
- Due to the increased application activity and limited staff time, the computer from Conference Room D was removed; Only the new counseling area in the B-wing had a computer.
- The copier was moved to a restricted area and **ONLY** documents showing proof of birth were copied.
- An ORS employee manned the hallway for security reasons at all times.

DETAILS

This easily accessible pick-up/drop-off area was available to all State Employees Monday thru Friday for the entire month of April. Hours of operation were 8:00am to 5:00pm.

The breakdown of retirement applications picked up and dropped off during the month of April in Conference Room D is as follows:

	4-1 to 4-5	4-8 to 4-12	4-15 to 4-19	4-22 to 4-26	4-29 to 4-30
Apps Picked Up	183	85	66	74	24
Apps Dropped Off	148	361	718	1,248	432

In total, at the end of the month 432 applications were picked up and 2,907 applications were dropped off in Conference Room D.

LESSONS LEARNED

Manning the retirement application drop-off/pick-up site was an interesting and challenging experience for both Process Support employees and temps.

- A quick overall training session covering the forms customers were expected to complete and general retirement information at a high-level would have been beneficial to the temps and ORS staff manning the drop-off/pick-up site.
  - This would have reduced many questions and created an environment of reassurance and confidence for the members.

    - ORS staff received many questions relating to billing statements, such as: "Will I automatically receive a billing statement if I checked the box that I haven't received one yet? How soon will I get one? Will it be for the exact amount of time I need to buy or an automatic 5 years?
- It is to be expected that numerous members feel they need to ask some questions before dropping off their retirement packet.
- Having extra early retirement forms on-hand for our members, made it easier when corrections needed to be made.
- Changing the process midstream caused for some confusion and frustration at the onset.
    - Members were expecting to get the same service as previously provided and were unhappy to not have their application reviewed or copied.
    - The change from multiple counselors to one increased the waiting time tremendously.
- In screening members questions, ORS staff discovered members were less informed about their Retirement benefits available to them than anticipated.

SUGGESTIONS FOR THE FUTURE

- Customers waiting to see a counselor, wait in a separate room to avoid encouragement of others to feel the need to see a counselor.
- Supply samples of completed forms available for customers' reference. This would also avoid many questions on the completeness of their forms.
- Provide to staff accepting applications a "cheat sheet" with answers to general questions, which includes timelines and deadlines, and have posted throughout the pick-up and drop-off area.
- Stay consistent throughout the entire process to avoid confusion among staff and customers.
- Have a larger area available to customers for form completion
- The letters to individuals who had 75 points but not 80 points were housed in Conference Room D. Staff on the third floor also needed access to these letters. In the future, it would be beneficial to have the electronic ability to print the letters from various ORS locations.
- Include in the checklist the following statement, "Make own copies to keep for your personal records."
- Provide a pay-per-copy copier for customers' use. This would eliminate state cost of retirement packet copies as well as birth certificates. This would also provide a service that was missing for our customer.

In the end, having an onsite drop-off/pick-up and counseling area at the General Office Building provided State Employees easy access to the Retirement Office.

K. Human Resources

OVERVIEW

Having enough resources trained and staffed to handle the large volume of applications coming in a short amount of time was a concern early on. It was decided that temporary staff would be needed to assist. The role of Human Resources was to ensure the requested amount of resources was available in a timely manner and security provisions were followed.

PROCESS

During the preliminary planning stages, each of the Business Process Leaders (BPLs) assessed their resource needs and determined how many temps would be needed and identified their beginning and end dates. The BPLs also identified the type of skills required, criteria to stay on board, and how long the temps were needed. It was then the responsibility of ORS' Human Resource (HR) liaison to acquire these temps by working closely with DMB's Personnel Analyst. The temporary agencies used to acquire these temps were Manpower, Protemps, and Accountemps. At times there was a short turn around time to get temps on board, the request was typically filled within 24 hours.

As soon as DMB HR had the names of temps, they were forwarded to ORS to begin the process of providing computer access rights for them before they were onsite. DMB's Personnel Analyst understood our needs and worked very efficiently in providing a quick turn around time. The overall caliber of temps was very high which made training run smoothly and time wasn't lost training replacements. They possessed the necessary knowledge, skills and abilities to perform their assigned tasks.

In addition to acquiring the requested number of temporary staff, the HR coordinator provided an orientation the first day the temps came on board to acclimate them to ORS' environment and arranged with the building manager to have pictures taken for security identification cards. Also, on the first day the End-User Computer agreement form and emergency contact form were completed.

DETAILS

- In total, sixty-six temporary staff were brought on board, starting as early as March 2002.
- During the peak month of April, fifty-six temporary employees were staffed at ORS.
- The majority of temps requested were Advanced Clerical Workers. The skill set required included:
    - Detail oriented

  - Excellent data entry skills – accuracy is imperative
  - Ability to read information on application forms and review forms to ensure they are complete
  - Experience in working with databases
  - Ability to enter information into databases

LESSONS LEARNED

- At times temporary staff came on board too soon and were waiting for work. They were brought on before the bill was signed.
- Since not all sixty-six temps came on board at once, at times there was confusion of when temps should be here and in what area did they belong.
- Coordination of human resources during the Early Retirement Program was successful due to DMB HR's willingness and understanding of ORS' deadlines and needs.

SUGGESTIONS FOR THE FUTURE

- More up-front planning for temp placement and responsibilities.
- Provide DMB-HR with as much time as possible to recruit for such a large # of temporary staff so the pool of temporaries isn't depleted.

L. Logistics

OVERVIEW

Coordinating all of the logistical issues during the Early Out was a huge undertaking that encompassed many tasks. This included arranging space, supplies, telephones, and coordinating activities with Print & Graphics and Mail & Delivery Services.

a. Space & Supplies

THE PROCESS

Preparing space for the Early Out temps included identifying work space for the temps, outfitting offices with phones, chairs, supplies, etc, ordering phones and coordinating security issues with the building manager.

Because ORS staff was just coming out of swing space, offices were readily available in the B-wing of the third floor with some equipment like chairs, wastebaskets, etc. If there wasn't enough equipment available onsite, items were taken out of salvage to meet these needs or borrowed from other agencies within DMB such as calculators and printers. Thus reducing the cost of having to purchase these items. Having all temporary Early Out processors work areas physically near each other promoted a smoother and efficient process. Mail bins were set up for the temporary processors in the B-wing, which allowed records staff to quickly forward on retirement applications ready to be processed.

The BPLs identified what type of supplies their temp staff would need to process applications and other equipment required. This information was then forwarded to procurement. For financial tracking all supplies, forms, etc. ordered relating to the Early Out were indexed to a special index number.

DETAILS

- One temp was signed on during the early stages to help set-up temp offices, fill on-going supply orders, and take inventory.
- All together forty-three temp offices were identified and outfitted in the B-wing.
- Extra supplies ordered for the temps included:
    - 8.5 x 11 Letterhead paper
    - Pens/Pencils
    - Post-Its
    - Scotch tape
    - Calculators

b. Telecom (Phones)

In addition to outfitting the temp offices with the proper equipment, phones had to be ordered through Telecom and installed. A special ACD group was created for the EO processors. The BPL's identified the need for phones, how many were needed and when they were needed. Process Support ordered the phones through Telecom. Telecom provided a quick turn around time to install the phones. In total 16 phones were installed; 5 in Benefit Management and 11 in Customer Accounts.

c. Print & Graphics, Mail & Delivery

Other logistical issues managed included working closely with Mail & Delivery Services and Print & Graphics to ensure special EO forms were printed and collated into packets. In total 16,000 retirement packets were ordered and 10,000 were actually used. The rest were taken apart and if possible, forms were reused and placed back in inventory. If they couldn't be reused they were recycled. Not only were ERP packets kept at Mail & Delivery Services and ORS, but also ER packets were sent via UPS to different offsite EO seminar locations to make it easier for the presenters.

Because of the preparation and cooperation between Mail & Delivery Services and Print & Graphics, ORS was able to mail out letters to potentially eligible individuals as soon as the bill was passed**.** Their involvement early on added to the success of the program. They understood the position ORS was in and made our priorities important to them.

As the EO was taking place, process support still met the needs of our internal customers. Supplies needed by staff were still being delivered within 24 hours.

LESSONS LEARNED

- Potential eligible individuals with purchase were identified and letters created. These letters were stored onsite in Conference Room D rather than being mailed. They were mailed to only those who contacted our office stating they might be eligible with a purchase or distributed to potentially eligible walk-ins.
- If a potential eligible individual with purchase called our office, staff working Conference Room D was contacted to check and see if a letter was created for them. This process wasn't efficient.

SUGGESTIONS FOR THE FUTURE

- Print & Graphics could provide a service of directly mailing out letters to potentially eligible individuals with purchase.
- Keep enough supplies on hand such as high volume items like file folders, pens and post-it notes.

M. Information Technology

OVERVIEW

After evaluating our hardware needs it was determined that an additional fifty-five PCs were required. As soon as approval was given Department of Information Technology (DIT) personnel ordered the equipment through the appropriate vendor. Current technology was ordered offering fast and accommodating PCs for the temps. Labelmakers and desktop printers were also ordered.

THE PROCESS

The new PCs were ordered in early March 2002 and arrived incrementally till the end of March 2002. The PCs were put in storage and then distributed as needed. DIT technicians imaged the new PC's onsite as they arrived allowing for no delay time. After the PC's were imagined they were tested with ORS' applications.

In addition fifty-five desktop printers were needed. To acquire enough desktop printers ORS utilized the Document Output Management Services (DOMS) leasing program and borrowed some from other agencies. Sixteen HP deskjet printers had to be ordered while the other 39 were leased through the DOMs program.

During the planning stages, space on the first floor-A wing was identified as a possible location for counseling booths. Cooperation between the building manager and department was given allowing ORS to use this space. Two temporary cubicles were set up and counselors used this space the last 2 weeks of April to counsel potential retirees. The PC's in these cubicles had the same access to databases, systems, printing capabilities, etc as the ORS counseling booths.

Having over sixty temporary staff on board posed some in-house security issues. Once names were received from the temp agencies a new-user profile was completed and forwarded to ITSD and ORS staff to be given identified in-house security. Problems occurred when names were spelled wrong causing the security rights to be deleted and then re-entered.

LESSONS LEARNED

- As borrowed items were being returned to their departments proper documentation was not taking place.

SUGGESTIONS FOR THE FUTURE

- A better inventory of borrowed equipment needs to be maintained to avoid confusion when the items are returned.
- For computer access, verify the temp name is spelled correctly when submitting the request for access. If not, computer access will not be set up correctly.

N. Mail Processing

OVERVIEW

The role of the Office of Retirement Mail Processing staff was to process the retirement packets coming into the mailroom as efficiently as possible so they could be routed to the next phase, the Records Unit. During the planning stages special Early Retirement mail handling needs were determined and executed.

THE PROCESS

Mail was delivered to the ORS mailroom located on the first floor four times a day. As mail came through the mailroom it was opened, date-stamped, sorted and placed in designated tubs. All Early Retirement packets were separated and counted. Each piece of paper in the packet had to be date-stamped and stapled together. The white acknowledgement cards returned in the retirement packets were separated and date-stamped also. They were held until approximately 350 cards were collected, so they could be mailed out at a bulk rate. They were then sent to Mail & Delivery Services to be mailed back to the member as acknowledgement that the Retirement Offices received their application.

Typically, mail was brought up to the third floor for distribution at 9:15am, 11:30am and 2:30pm. When needed extra internal mail runs by ORS staff were completed to keep applications moving along. Every 30 to 45 minutes mailroom staff and at times microfilm staff ran applications upstairs to the records area from the mailroom and from Conf Rm D. In the records area the applications were then inputted into EO STARS and tracked to a counselor. The application was then put into the identified processors mailbox.

Additional staff was needed during the month of April to assist in the mailroom. At times there were six people working on opening up application envelopes. Having extra people available to open mail made a significant difference in keeping things moving along. During the month of April the mailroom was open during the lunch hour. Each person in the mailroom kept track of how many Early Retirement packets they opened.

A temporary mailroom collection area was set up in 3B near the temporary processors, which facilitated in a quicker response time. The processors didn’t have to walk very far to receive more retirement applications to work on.

To track ERP costs in the mailroom the EO index was used on the metered Postage postal account card every time a tub of items were being mailed out.

DETAILS

- In total 5,590 retirement packets came through the mailroom from April 1st to May 3rd.
- Mail delivery & pick-up times – 8:00am, 10:00am, noon and 2:00pm
- During large mail deliveries there were six people in the mailroom opening up retirement application packets.
- The mailroom staff rotated their lunches so mail was always being sorted through.

LESSONS LEARNED

- During the pre-planning activities, supplies needed were identified and ordered.
- Appropriate people were involved in the pre-planning activities including the BPL for Benefit Management. She was able to provide input into what her area's needs were.
- The process flow was identified and communicated to staff.
- At times there was a lack of communication or direction was being given from different people causing misunderstandings.

SUGGESTIONS FOR THE FUTURE

- Having meetings often when the process changes involving the right people would've alleviated some confusion. For example, at times there was confusion on where to properly date stamp certain forms.
- When needed, hold meetings with staff before office hours or after to communicate any process changes.

O. Records Processing

OVERVIEW

Mail and records worked together to get the job done. Maintaining constant communication was very important during this whole program.

Retirement packets were sent to records and were marked as an early out packet. These were inputted into the Early Out Stars database and forwarded to a counselor the same day. Records staff were still able to maintain internal requests and process external mail while the ERP was taking place.

THE PROCESS

Mail bins were set up for the temporary Early Out staff in the B-wing. The retirement applications were distributed to the processors by the last two numbers of the SSN. The retirement applications were held until RU staff was notified all was done. At the end of the three months, staff pulled the duplicate files from the powerfile and were added to the retirement file and held for scanning and indexing. Information from the existing member file was not added to the new retirement file. The majority of the information was on SRVS. Claims Processing staff requested microfilm only as needed.

All Early Retirement application packets either dropped off in person or sent in the mail ended up in the Records Unit where it was placed in a new folder and coded with a gray tab to distinguish it being an EO application. After the folder was set records staff entered the application into the Early Out STARS database and forwarded to an EO processor according to last two numbers of the SSN.

In the middle of April a backup plan was implemented to have the database EO STARS installed on a few extra people's PC in case they were needed to input files on the system. This would allow the counselors to receive the files quicker.

LESSONS LEARNED

- Do not make a duplicate member's file when they send in their retirement packet.

SUGGESTIONS FOR THE FUTURE

- Discourage making a second folder for the retirement application file. Pull file when we get their retirement application. Initially creating a new folder for each retirement application might save time but then it takes time to combine the files after 3 months.

P. Budget Processing

OVERVIEW

Financial Services chief role during the Early Out was to maintain the budget spreadsheet for all processes involved, monitor budget usage, and track expenses on a monthly basis.

THE PROCESS

Shortly after the Early Out was announced the BPLs gathered and established a business plan. Part of the business plan included estimates on budget needs for each process including additional staff costs, equipment costs, etc**. See Appendix A**

Once the budget was approved, Financial Services staff verified ORS received the requested amount and developed the budget spreadsheet. The Early Out budget spreadsheet broke down the requested 2.1M by process based on the business plan and additional input from the BPLs.

Financial Services also created a special Early Out index number. This index number was used to track all Early Out expenditures such as computers, supplies, etc.

Financial Services staff maintained the budget spreadsheet, tracked expenses on a monthly basis and provided a monthly report to the BPLs and EPC. Throughout the program Financial Services staff met with the BPLs to compare their original estimates with the actual expenses.

DETAILS

See Appendix D for a breakdown of the budget by each process.

LESSONS LEARNED

- Once the requested money was appropriated, setting up the Early Out index early on and communicating it to the right people and what to use it for helped make tracking expenses more accurate.
- Meeting with the BPLs monthly or as needed to compare their original estimated process budget to the actual budget made for no surprises in the end.
- Budgeting by process worked well.
- When temps moved to another process or left ORS, Financial Services weren't notified which made it difficult to track accurate temp costs. On occasion ORS was being billed for temps after they left their current assignment as a result it took time to correct.

SUGGESTIONS FOR THE FUTURE

- Communicate, Communicate, Communicate. Financial Services must be notified when temps leave, move to another process, etc. At times Financial Services staff spent a great deal of time trying to track down correct information about temps i.e. beginning and end dates and what process they belonged to.

Appendix A:

Detailed Retirement Services Business Plan for Proposed 2002 Early Out

Appendix B:
Summarized Retirement Services Business Plan
for Proposed 2002 Early Out

Appendix C:
Project Plan

Appendix D
Early Out Appropriations and Budget Report

Appendix E:
2002 Early Out Statistics

Appendix F:
SUMMARY OF PENSION PROTECTION ACT PROVISIONS

Appendix G:
House Bill No. 5732

Appendix H:
Policy and Procedure Updates