

VOLUNTARY SEPARATION INCENTIVE PROGRAM (VSIP)

FACT SHEET AND FREQUENTLY ASKED QUESTIONS (FAQ'S)

The Voluntary Separation Incentive Program (hereafter "VSIP") is a potential option for cost reduction while also providing eligible employees with a valuable benefit of continued medical insurance or a cash incentive.

PLAN AND FAQ'S

1. How do I know if I am eligible to participate in the VSIP?

You must meet the following eligibility requirements for participation in the plan:

- Have twenty-five (25) years of full-time service with Pasco County Board of County Commissioners;
- OR
- be 55 years or older and have six (6) years of full-time service with Pasco County Board of County Commissioners.

2. What are my choices under the VSIP?

The following options are available to eligible participants:

1) Medical insurance coverage for up to a period of three years depending on current coverage. Pasco County covers the employee portion of the cost. The employee is responsible to continue paying the balance if they currently have spouse, children or family coverage.

OR

2) A cash lump sum payment of up to \$5,000.00 in lieu of insurance coverage.

3. When can I sign up for the VSIP?

Eligible employees may enroll beginning on August 25, 2009, and ending on October 9, 2009, at 5:00 p.m.

4. How do I apply to be considered for the VSIP?

The VSIP application is available on the employee page on the internet. The copy should be printed and signed. All VSIP applications must be submitted to the Personnel Office.

5. Can I change my mind after signing the agreement?

Employees may revoke their decision to participate in the VSIP by submitting a written request to the Personnel Office no later than seven (7) days after submitting the application.

6. What will be the effective date of separation from employment?

On or before October 16, 2009.

7. Are DROP participants eligible to participate in the VSIP?

Yes, as long as their last date of DROP participation is on or after 9/30/10.

8. Do I have to retire from the Florida Retirement System (FRS) in order to participate in the VSIP?

No, you are not required to retire under the FRS Pension Plan or withdraw funds from your FRS investment account.

9. Will the three years of paid insurance count toward FRS service?

No.

10. Will I receive a payout of my unused vacation and medical leave?

You will be paid for all unused leave balances to which you are entitled. Payment will be in accordance with the Career Service Manual: 100% of annual leave and 25% of medical leave.

CASH PAYMENT OPTION

11. Will cash payments received under this program be considered taxable income?

Yes, cash payments under this plan will be issued via payroll check, and are subject to all applicable taxes.

12. Will COBRA rules and regulations apply, if I elect a cash payout under the plan?

COBRA is a federal law and will apply to employees who elect a cash payout.

13. If I elect to take a cash payout, can I put some or all of the funds into my Deferred Compensation account?

Yes, as long as IRS mandated maximum contributions have not been met. Contact your Deferred Compensation account representative for additional information.

INSURANCE OPTION

14. Are insurance benefits under the plan considered taxable income?

No, there will be no taxes payable for any insurance benefit received under the program.

15. Can I change my insurance plan coverage (i.e. single/family, etc)?

No, the coverage that you currently have will remain in effect for the period of time that you have selected insurance coverage. In certain limited instances, the IRS allows a change called a “Qualifying event”. There are some situations when this might apply, which would allow you to change benefit plans. Contact the Risk Manager if you have any questions regarding changing of benefit plans.

16. Are there any occasions when the County’s payment of health insurance for a VSIP participant will end prior to the end of the three (3) year period?

Yes, if any of the following occur:

- A) The employee fails to make payment toward their group health insurance premium for their additional coverage (family, spouse, etc.) within thirty (30) days of the due date;
- B) The employee obtains any other health insurance coverage except Medicare or Medicaid, after the employee’s resignation from County employment under VSIP;
- C) The death of the employee.

17. Will I be billed for any premiums for insurance coverage?

The County will pay the employee portion of the health insurance for VSIP participants. You will be responsible for the balance of your medical premium coverage, just as you are currently. Failure to pay your premiums could result in cancellation of your coverage. Co-pays and deductibles under the insurance plan will still apply.

18. Will the premiums for the Pasco County health insurance coverage always remain the same?

Not necessarily, health insurance rates are subject to change. The cost of the insurance may go up or down. You will be notified of any changes to your cost and or any benefit plan changes that may occur. Insurance rates change October of each year. During the three (3) year period, the County will be responsible for payment of the VSIP participants’ health insurance.

MISCELLANEOUS

19. Can I be rehired with the County once I leave employment?

Employees who leave the County under the terms of the VSIP may not be re-employed by the County and receive County benefits. The Board may contract with retired County employees for specified services for the benefit of the County. No fringe benefits would be paid under such contracts.

20. Will I be entitled to unemployment benefits?

Unemployment is administered by the State of Florida and is not under the County's purview. However, this will be considered by the County to be a voluntary termination.

21. If I am on an approved leave of absence from the County, can I wait to return from my leave to make my election?

You must make your selection during the enrollment window. Elections can only be made during this time period. If you miss this window, you will not be permitted to enroll in this program at a later date.

22. Will some employees be asked or forced to apply?

No employee will be forced or coerced to apply. All decisions made by employees to resign under this program are voluntary and are not subject to appeal. Employees are encouraged to discuss this decision with their family, financial advisor, deferred compensation representative, the FRS and/or an attorney. A waiver is part of the agreement.

23. Will everyone who applies be accepted?

No. Approval by the County Administrator will be based on the strategic, operational and financial needs of the Department and the County as a whole.