



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

Office of Labor Relations

March 8, 2013

General Notice No. 2013-04

TO: Labor Relations Designees

SUBJECT: Retirement in Lieu of Layoff Prohibited Practice and Grievance Settlement

In settlement of a prohibited practice complaint by SEBAC and grievances filed by some of its constituent unions, the parties have entered into a stipulated agreement regarding Retirements in lieu of layoff. Attached is a copy of the Settlement Agreement and requisite stipulated agreements for individuals electing to retire in lieu of layoff. The terms of the Settlement Agreement have been extended to nonrepresented individuals who may be eligible.

Under its terms, certain SERS members may elect to retire in lieu of layoff.

1. **Eligibility:** SERS members who were under the age of 55 **AND** had twenty-five or more years of service **prior to August 31, 2011**.
2. **Election period:** Eligible SERS members must irrevocably elect to retire in lieu of layoff AND sign a stipulated agreement (sample attached) by May 1, 2013.
3. **Retirement date:** Eligible Tier I members must retire no later than July 1, 2013. Tier 2 members must retire no later than September 1, 2014.
4. **Benefit to Tier I members (must retire no later than July 1, 2013):** The eligible member may elect between the following two options:
 - a. Have their benefit reduced by 4.5% for each year they are under 55 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired after October 1, 2011; OR
 - b. Have their benefit reduced by 6.0% for each year they are under 55 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired before October 1, 2011.
5. **Benefit to Tier II members who elect to retire no later than July 1, 2013:** The eligible member may elect between the following two options:
 - a. Have their benefit reduced by 4.5% for each year they are under 60 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired after October 1, 2011; OR
 - b. Have their benefit reduced by 6.0% for each year they are under 60 as of their date of retirement (no later than July 1, 2013) and be entitled to the COLA provisions of individuals who retired before October 1, 2011.
6. **Benefit to Tier II members who elect to retire after July 1, 2013 and no later than September 1, 2014:** The benefit will be reduced like any other early retirement benefit (6% for each year before eligibility for normal retirement),

however, individuals who elect to retire in lieu of layoff will be entitled to the COLA provisions in effect for individuals who retired prior to October 1, 2011.

- 7. Replacement of the positions of individuals electing to retire in lieu of layoff:** An agency may request to have the position(s) refilled for individual(s) electing to retire in lieu of layoff, however, the budgetary restrictions presently in place remain in effect.

If you should have any questions, please do not hesitate to contact the Office of Labor Relations at 418-6447. Employees with questions should contact their Agency Personnel Office.

Linda J. Yelmini

Linda J. Yelmini

Director of Labor Relations

SETTLEMENT AGREEMENT
between
STATE OF CONNECTICUT
and
STATE EMPLOYEE BARGAINING AGENT COALITION
and its constituent unions

The State Employees Bargaining Agent Coalition (hereinafter referred to as "SEBAC") filed a prohibited practice complaint and individual bargaining units filed grievances as outlined in this agreement. In full and final resolution of the prohibited practice complaint and any and all individual grievances filed by Unions who are members of the SEBAC coalition, SEBAC, its constituent unions and the State of Connecticut (hereinafter referred to as the "State") hereby agree as follows:

1. Section 163(c) of the Connecticut General Statutes provides the following:

(c) Except as provided in section 5-163a, a member whose state service is terminated because of economy, lack of work, abolition of his position or lack of reappointment to a position in the unclassified service, or . . . , after he has completed twenty-five years of state service but before he has reached his fifty-fifth birthday, shall be entitled to a retirement income. The amount of each monthly payment shall be determined from subsection (c) of section 5-162, if the member elects the first day of the month on or after such birthday as his retirement date; and shall be the actuarial equivalent of such amount, as determined by the Retirement Commission, if the member elects the first day of the month on or after his termination date as his retirement date.

2. In July and August 2011, individual agreements were reached between approximately 40 bargaining unit employees, their unions, their employing agencies and the Office of Labor Relations for voluntary layoffs that would enable the employees to qualify to retire with a reduced benefit under CGS 5-163(c). The employees had twenty-five (25) or more years of service prior to August 31, 2011, but had not reached the age of 55 and, therefore, were covered by the statutory provision referenced in paragraph 1. The employing agencies that signed the agreements had to represent that the agency would not replace such laid off employee or seek to hire the employee as a reemployed retiree. The stipulated agreements for the voluntary layoffs were signed by the employees and their unions but were not signed by a SEBAC representative.

3. SEBAC filed a prohibited practice complaint (Case No. SPP-29,494) on October 17, 2011 that contended, among other claims, that the layoff agreements should have been negotiated with SEBAC and should be made available to other employees.

4. This agreement shall cover all members in a bargaining unit within SEBAC who were actively employed as of December 1, 2012 and who meet the other qualifications of this agreement.

5. Individuals who, on September 1, 2011, had not reached the age of 55 and who had 25 or more years of state service creditable under the State Employees Retirement System may elect to retire effective on or before July 1, 2013. They will be treated as if they retired in lieu of layoff. If they so elect, they will be given two options: (a) They may choose to receive the COLA minimums and maximums effective after October 1, 2011. In this case, their benefit would be reduced by four and one half percent (4.5%) per year for each year they had not reached the age of 55 if they were a Tier 1 member and 4.5% for each year they had not reached the age of 60 if they were a Tier 2 member. (b) Alternatively, they will be entitled, if they so choose to the retiree COLA minimums and maximums as if they had retired prior to October 1, 2011. If they make that choice, their benefit, upon the effective date of their retirement, would be reduced by six percent (6%) per year for each year they had not reached the age of 55 if they were a Tier 1 member and 6% for each year they had not reached the age of 60 if they were a Tier 2 member. (c) Tier 2 employees may elect to remain employed beyond July 1, 2013, and to retire effective on or before September 1, 2014. Those employees may exercise the option reflected in part (b), above but not part (a). In all cases, all of the other provisions of the 2011 SEBAC Agreement will apply to these employees. They shall be required to be covered under the Health Enhancement Program. An election as to (a) or (b) for those employees retiring on or before July 1, 2013, shall be irrevocable and shall be made no later than the individual's date of retirement.

6. Any eligible SERS member who wishes to take advantage of this offer will have to sign an irrevocable election to retire no later than July 1, 2013 for Tier 1 or September 1, 2014 if a Tier 2 member. Such irrevocable election must be signed no later than May 1, 2013. Additionally, any eligible SERS member who made this election would relinquish any and all reemployment and/or SEBAC reemployment rights to which they might be entitled. The member's union and SEBAC must also sign the election.

7. Such bargaining unit members who had twenty-five or more years of service as of August 31, 2011 and who had not reached the age of 55 on that date may request to retire under the provisions of section 5-163(c) of the Connecticut General Statutes.

8. The agreement does not apply to any such employee who left state service or retired before December 1, 2012.

9. Any employee who retires under this agreement shall not be exempt from the provisions of the Health Enhancement Program (or the alternate payment requirements) under the conditions of the 2011 SEBAC Agreement. For example, they will be responsible to pay the premiums for health insurance as outlined in Attachment C of such Agreement, if applicable.

10. This agreement is being made as a good faith resolution of the pending complaint and is with prejudice to the current issue but without precedent for the parties' positions in other current or future situations between the parties.

11. Nothing in this agreement shall require or restrict the ability of the State to refill the position of any individual who elects to retire under this agreement or the position of any individual who retired in July or August, 2011 under the provisions of an individual agreement allowing them to retire in lieu of layoff.

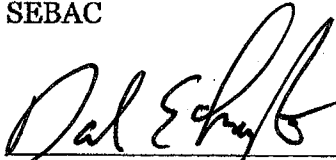
12. This agreement shall not be considered as any admission of any statutory or contractual violation by the State of Connecticut, its agencies or their officials or employees. The State reserves its position that the statutory provision remains in effect and that the actions of the State and its agencies did not violate that provision or any other requirement of the statutes.

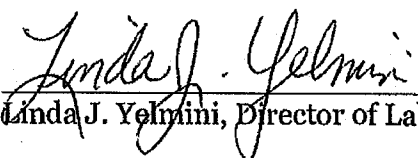
13. The prohibited practice complaint (SPP-29,494) and any grievances on the same subject will be withdrawn.

14. This agreement shall have no effect on any employee except those who make the elections and retire by the dates set forth herein.

SEBAC

State of Connecticut


3/8/13
Daniel E. Livingston, Chief Negotiator


3/5/13
Linda J. Yelmini, Director of Labor Relations

TIER 1
STIPULATED AGREEMENT
STATE OF CONNECTICUT
DEPARTMENT OF XYZ
And
ABC Union,
State Employees Bargaining Agent Coalition
And
Name of Employee

The State of Connecticut, Department of XYZ (hereinafter referred to as "XYZ"), ABC Union, (hereinafter referred to as "ABC"), the State Employees Bargaining Agent Coalition (hereinafter referred to as "SEBAC") and Joseph Retiree (hereinafter referred to as "Mr. Retiree") hereby agree as follows:

1. Mr. Retiree is hereby being laid off effective (on the last day of the month but no later than June 30, 2013). Such layoff shall not be contested by Mr. Retiree, the Union or SEBAC in any forum and shall not be deemed to violate any contractual or statutory provision regarding the layoff of state employees or any restriction thereof. He acknowledges that the separation is voluntary and therefore he will not apply for unemployment compensation as he is not entitled to such benefit.
2. For the purposes of the State Employees Retirement System, he will be considered to be a member whose state service is terminated because of economy, lack of work or abolition of his position pursuant to CGS §5-163(c) and elects to retire effective (first day of the month following date in paragraph 1 but no later than July 1, 2013). The election to retire is irrevocable and must be made no later than May 1, 2013. If he fails to retire on the date he has elected to retire, he shall be laid off as of the same date he elected to retire without any reemployment or other contractual rights and shall remain subject to the other provisions of this agreement.
3. Mr. Retiree understands that he has the choice between having:
 - a. his accrued benefit reduced by four and one-half percent (4.5%) for each year he is under at 55 as of (the date of his retirement but no later than July 1, 2013) as he is a Tier I member and

receiving the COLA minimums and maximums (2.0% - 7.5%) effective for individuals who retired on or after October 1, 2011;
OR

- b. his accrued benefit reduced by six percent (6%) for each year he is under at 55 as of (the date of his retirement but no later than July 1, 2013) and receiving the COLA minimums and maximums (2.5% - 6.0%) effective for individuals who retired prior to October 1, 2011.
4. In the event Mr. Retiree separates from employment prior to (the date of his retirement), any benefit to which he or his beneficiaries, heirs or assigns may be entitled shall be governed by the provisions of the Plan notwithstanding the terms of this agreement.
5. Mr. Retiree hereby unconditionally relinquishes any and all reemployment, SEBAC and other rights that he may have to return to employment with the State of Connecticut. This includes, but is not limited to, any and all rights he may have to employment following rescission of retirement, and denial of a claim for disability retirement under the State Employees Retirement System, commonly referred to as Issue 24 rights. Any attempt to rescind his retirement is void by operation of this agreement.
6. This agreement is entered into voluntarily after the employee and the other parties and their representatives have had sufficient time to review its provisions and may not be contested in any forum. Mr. Retiree, the Union or SEBAC have not received any inducement or promise as a result of this agreement.
7. This agreement is the result of the settlement agreement reached on March 8, 2013 in settlement of a prohibited practice complaint and grievances.
8. In consideration of this agreement, Mr. Retiree, the Union and SEBAC hereby agree not to file or pursue any legal action against the State of Connecticut, its representatives, its employees or the Union in any forum as a result of this agreement or due to the claims underlying his employment at XYZ. Any pending claims by Mr. Retiree are hereby withdrawn and he agrees to take any and all steps necessary to effectuate their withdrawal. Mr. Retiree and the Union specifically acknowledge that he has not been discriminated against

on the basis of age while an employee of the State of Connecticut. Mr. **Retiree** has had a full opportunity to discuss the matter with his union and/or legal counsel.

9. This agreement is specific to the Mr. **Retiree**. It is with prejudice and without precedent in any other dispute between the parties. It shall not be admissible in any proceeding involving any employee other than Mr. Retiree.
10. Should any provision of this Agreement be found unlawful by a court of competent jurisdiction, the remainder of the Agreement shall continue in force.

ABC Date

SEBAC Date

Joseph Retiree Date

XYZ Date

OLR Date

I hereby elect option (**A or B**)_____ under the provisions of paragraph 3 hereof. (This choice may be delayed until 6/30/13)

Joseph Retiree

TIER 2 – who retire after July 1, 2013

STIPULATED AGREEMENT

STATE OF CONNECTICUT

DEPARTMENT OF XYZ

And

ABC Union,

State Employees Bargaining Agent Coalition

And

Name of Employee

The State of Connecticut, Department of XYZ (hereinafter referred to as “XYZ”), ABC Union, (hereinafter referred to as “ABC”), the State Employees Bargaining Agent Coalition (hereinafter referred to as “SEBAC”) and Sally Retiree (hereinafter referred to as “Ms. Retiree”) hereby agree as follows:

1. Ms. Retiree is hereby being laid off effective (on the last day of the month but no later than August 31, 2014). Such layoff shall not be contested by Ms. Retiree, the Union or SEBAC in any forum and shall not be deemed to violate any contractual or statutory provision regarding the layoff of state employees or any restriction thereof. She acknowledges that the separation is voluntary and therefore she will not apply for unemployment compensation as she is not entitled for such benefit.
2. For the purposes of the State Employees Retirement System, she will be considered to be a member whose state service is terminated because of economy, lack of work or abolition of her position pursuant to CGS §5-163(c) and elects to retire effective (first day of the month following date in paragraph 1 but no later than September 1, 2014). The election to retire is irrevocable and must be made no later than May 1, 2013. If she fails to retire on the date she has elected to retire, she shall be laid off as of the same date she elected to retire without any reemployment or other contractual rights and shall remain subject to the other provisions of this agreement.
3. Ms. Retiree understands that her accrued benefit will be reduced by six percent (6%) for each year she is under at 60 as of (the date of her retirement no later than September 1, 2014) but she will be eligible to receive the COLA minimums and maximums (2.5% - 6%) effective for individuals who retired prior to October 1, 2011.

4. In the event Ms. **Retiree** separates from employment prior to **(the date of her retirement)**, any benefit to which she or her beneficiaries, heirs or assigns may be entitled shall be governed by the provisions of the Plan notwithstanding the terms of this agreement.
5. Ms. **Retiree** hereby unconditionally relinquishes any and all reemployment, SEBAC and other rights that she may have to return to employment with the State of Connecticut. This includes, but is not limited to, any and all rights she may have to employment following rescission of retirement, and denial of a claim for disability retirement under the State Employees Retirement System, commonly referred to as Issue 24 rights. Any attempt to rescind her retirement is void by operation of this agreement.
6. This agreement is entered into voluntarily after the employee and the other parties and their representatives have had sufficient time to review its provisions and may not be contested in any forum. Ms. **Retiree**, the Union or SEBAC have not received any inducement or promise as a result of this agreement.
7. This agreement is the result of the settlement agreement reached on March 8, 2013 in settlement of a prohibited practice complaint and grievances.
8. In consideration of this agreement, Ms. **Retiree**, the Union and SEBAC hereby agree not to file or pursue any legal action against the State of Connecticut, its representatives, its employees or the Union in any forum as a result of this agreement or due to the claims underlying his employment at **XYZ**. Any pending claims by Ms. **Retiree** are hereby withdrawn and she agrees to take any and all steps necessary to effectuate their withdrawal. Ms. **Retiree** and the Union specifically acknowledge that she has not been discriminated against on the basis of age while an employee of the State of Connecticut. Mr. **Retiree** has had a full opportunity to discuss the matter with his union and/or legal counsel.
9. This agreement is specific to the Ms. **Retiree**. It is with prejudice and without precedent in any other dispute between the parties. It shall not be admissible in any proceeding involving any employee other than Ms. Retiree.

10. Should any provision of this Agreement be found unlawful by a court of competent jurisdiction, the remainder of the Agreement shall continue in force.

ABC Date

SEBAC Date

Sally Retiree Date

XYZ Date

OLR Date

TIER 2 – who retire on or before July 1, 2013

STIPULATED AGREEMENT

STATE OF CONNECTICUT

DEPARTMENT OF XYZ

And

ABC Union,

State Employees Bargaining Agent Coalition

And

Name of Employee

The State of Connecticut, Department of XYZ (hereinafter referred to as “XYZ”), ABC Union, (hereinafter referred to as “ABC”), the State Employees Bargaining Agent Coalition (hereinafter referred to as “SEBAC”) and Stanley Retiree (hereinafter referred to as “Mr. Retiree”) hereby agree as follows:

1. Mr. Retiree is hereby being laid off effective (on the last day of the month but no later than June 30, 2013). Such layoff shall not be contested by Mr. Retiree, the Union or SEBAC in any forum and shall not be deemed to violate any contractual or statutory provision regarding the layoff of state employees or any restriction thereof. He acknowledges that the separation is voluntary and therefore he will not apply for unemployment compensation as he is not entitled to such benefit.
2. For the purposes of the State Employees Retirement System, he will be considered to be a member whose state service is terminated because of economy, lack of work or abolition of his position pursuant to CGS §5-163(c) and elects to retire effective (first day of the month following date in paragraph 1 but no later than July 1, 2013). The election to retire is irrevocable and must be made no later than May 1, 2013. If he fails to retire on the date he has elected to retire, he shall be laid off as of the same date he elected to retire without any reemployment or other contractual rights and shall remain subject to the other provisions of this agreement.
3. Mr. Retiree understands that he has the choice between having:
 - a. his accrued benefit reduced by four and one-half percent (4.5%) for each year he is under at 60 as of (the date of his retirement but no later than July 1, 2013) as he is a Tier II member and

receiving the COLA minimums and maximums (2.0% - 7.5%) effective for individuals who retired on or after October 1, 2011;
OR

- b. his accrued benefit reduced by six percent (6%) for each year he is under at 60 as of (the date of his retirement but no later than July 1, 2013) and receiving the COLA minimums and maximums (2.5% - 6.0%) effective for individuals who retired prior to October 1, 2011.
4. In the event Mr. Retiree separates from employment prior to (the date of his retirement), any benefit to which he or his beneficiaries, heirs or assigns may be entitled shall be governed by the provisions of the Plan notwithstanding the terms of this agreement.
5. Mr. Retiree hereby unconditionally relinquishes any and all reemployment, SEBAC and other rights that he may have to return to employment with the State of Connecticut. This includes, but is not limited to, any and all rights he may have to employment following rescission of retirement, and denial of a claim for disability retirement under the State Employees Retirement System, commonly referred to as Issue 24 rights. Any attempt to rescind his retirement is void by operation of this agreement.
6. This agreement is entered into voluntarily after the employee and the other parties and their representatives have had sufficient time to review its provisions and may not be contested in any forum. Mr. Retiree, the Union or SEBAC have not received any inducement or promise as a result of this agreement.
7. This agreement is the result of the settlement agreement reached on March 8, 2013 in settlement of a prohibited practice complaint and grievances.
8. In consideration of this agreement, Mr. Retiree, the Union and SEBAC hereby agree not to file or pursue any legal action against the State of Connecticut, its representatives, its employees or the Union in any forum as a result of this agreement or due to the claims underlying his employment at XYZ. Any pending claims by Mr. Retiree are hereby withdrawn and he agrees to take any and all steps necessary to effectuate their withdrawal. Mr. Retiree and the Union specifically acknowledge that he has not been discriminated against

on the basis of age while an employee of the State of Connecticut. Mr. **Retiree** has had a full opportunity to discuss the matter with his union and/or legal counsel.

9. This agreement is specific to the Mr. **Retiree**. It is with prejudice and without precedent in any other dispute between the parties. It shall not be admissible in any proceeding involving any employee other than Mr. Retiree.
10. Should any provision of this Agreement be found unlawful by a court of competent jurisdiction, the remainder of the Agreement shall continue in force.

ABC Date

SEBAC Date

Stanley Retiree Date

XYZ Date

OLR Date

I hereby elect option **(A or B)** _____ under the provisions of paragraph 3 hereof. (This choice may be delayed until 6/30/13)

Stanley Retiree