

Doug Wooliver

From: Christine Johnson
Sent: Monday, May 02, 2016 4:23 PM
To: Everyone-dl
Subject: Alaska Court System Retirement Incentive Plan

Dear Magistrate Judges and Court Staff,

Many of you have asked whether the State of Alaska will be adopting an early retirement program to help to address the current budget deficit. Legislation that would have adopted a "RIP" program for State employees was introduced this session, but is not expected to pass. It's possible that the legislation will be re-introduced next year, but at this point no one knows.

The eligibility requirements for retirement are set by statute and by regulations adopted by the Department of Administration. The court system cannot do anything on its own to allow employees to retire early. We can, however, offer "severance payments" to employees who are already eligible to retire, but are hesitant to take this step for financial reasons.

Last week the supreme court approved a one-time-only retirement incentive program for court system employees who have been eligible to retire for at least three years. The court is offering a severance package to magistrate judges and court staff who meet the following criteria as of July 1, 2016:

- (1) the employee has been eligible to retire for at least three years. (As of July 1, the employee has 33 years of PERS service, or the employee is Tier 1 and age 58 or older, or Tier 2-4 and age 63 or older.)
- (2) the employee has worked for the court system at least ten years.

Employees who meet this criteria and agree to adjust their retirement plans to retire by August 31, 2016 will receive a severance payment equal to three months of the employee's salary.

I have already contacted the employees we believe are eligible for this program. **If you think you meet the criteria but haven't received an email from me, please let me know as soon as possible.** Employees who choose to exercise this option must let us know by June 15, 2016.

As I indicated, the court system does not plan to offer severance payments again. Going forward, in recognition of the State's financial situation, the supreme court has agreed to amend the court system's salary schedule so that longevity steps end at R step. This means that employees will eventually stop receiving step increases after approximately 25 years of service.

Again, please contact me as soon as possible if you are interested in this program and believe you may be eligible to participate. You are also welcome to contact me if you have questions about the changes to the salary schedule.

Christine

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