

Section 4

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Health Insurance Component Addition to the Retirement Incentive

Health insurance coverage is being proposed as an addition to the retirement incentive program. Employees who are eligible for the retirement incentive would also receive an additional \$4000 a year for up to 3 years to continue health insurance up to age 65. This would be concurrent with the 10% of the salary bonus. An employee who opts out of the health insurance may receive a one-time payment of up to \$2000.

To encourage employees to commit to the retirement incentive, the health insurance component of \$4000 a year will be for 3 years, if the employee signs up on or before March 2. Employees signing up after March 2 through June 30, 2009 would receive the \$4000 for 2 years.

Employees who opt out of the health insurance will receive \$2000 if the employee signs up on or before March 2. Employees signing up after March 2 through June 30, 2009 would receive \$1500.

Recommendation: To approve the health insurance component as part of the Retirement Incentive Program.