



# ACCELERATED SEPARATION PROGRAM (ASP)

## Frequently Asked Questions

Updated September 24, 2020

The Accelerated Separation Program (ASP) is a voluntary program intended to incentivize voluntary departures through retirements and separations to mitigate the impacts from the coronavirus (COVID-19) to the local economy resulting in a significant budget shortfall.

GENERAL QUESTIONS	
<b>Do I have to be a full-time employee to participate?</b>	<p>Yes. You must be a full-time serving in an unrepresented position or a position represented by a bargaining unit with a Letter of Understanding (LOUs) concerning this program. The following bargaining units have pending LOUs:</p> <ul style="list-style-type: none"> <li>• AMEA</li> <li>• AFSCME</li> <li>• IBEW</li> <li>• APA</li> <li>• AFA</li> </ul>
<b>Do I have to be eligible to retire to participate?</b>	No. There are two options available to employees not eligible to retire.
<b>What are the benefits of the program?</b>	See the linked ASP description <a href="#">here</a> .
<b>I was planning on retiring within two years. Why would I be interested in this program?</b>	<p>You should carefully consider the following factors that impact the value of an additional year or two on your estimated retiree benefits:</p> <ul style="list-style-type: none"> <li>• The likelihood of receiving future wage increases in the next year or two</li> <li>• Your current payroll deductions for PERS, RHS, Medicare that will not continue after retirement</li> <li>• Whether you have reached eligibility for the maximum CalPERS benefit factors based on age</li> <li>• The impact on your eligibility for Retiree Medical Subsidy</li> <li>• PERS Annual Cost of Living Increases</li> </ul> <p>To estimate your pension, please visit the CalPERS Retirement Estimate Calculator: <a href="https://www.calpers.ca.gov/page/active-members/retirement-benefits/service-disability-retirement/retirement-estimate-calculator">https://www.calpers.ca.gov/page/active-members/retirement-benefits/service-disability-retirement/retirement-estimate-calculator</a></p> <p>Two things you need to know is that as an employer we do contract for survivor continuance and we are not covered by Social Security.</p>
<b>If I participate in ASP do I have any re-employment rights?</b>	Nothing would prevent you from applying in the future to any open City position but as the ASP program is voluntary you will not be placed on any reemployment list.
<b>Will I qualify for unemployment benefits if I participate in this program?</b>	No, employees who leave employment voluntarily are not eligible for unemployment benefits.
<b>Is there a limit of how many applications will be accepted?</b>	There is not a limit. Please submit your application early if you are interested. You will have 5 days to withdraw if accepted.

<b>Will sick and vacation time be paid out upon my separation?</b>	This will be based on your MOU or Personnel Rules.
<b>After this ASP offer, will there still be furloughs, pay cuts, and layoffs?</b>	The City is continuing to review its financial situation and we expect that the new City Manager, along with Finance, will be returning to City Council sometime this fall with updated budget projections and recommendations. We will not know what additional cost reduction measures may be necessary until that time.
<b>APPLICATION PROCESS QUESTIONS</b>	
<b>How do I apply for the program?</b>	Download the application <a href="#">here</a> , complete all required fields, and submit it into the Human Resources Department via 1) email at <a href="mailto:benefits@anaheim.net">benefits@anaheim.net</a> , 2) hand-deliver or 3) mail to the Human Resources office. Be sure to note "ASP Application" on the email subject line or on the envelope to ensure priority handling.
<b>What separation/retirement date do I use when completing my CalPERS retirement application, and how far in advance do I need to apply for retirement?</b>	You can either file your CalPERS application now with a preferred separation date with the understanding that it would need to be modified if accepted into the ASP, or you can wait to file once your ASP application is approved using the agreed upon date found in your separation agreement. You have 5 days from the date your application is approved to sign the separation agreement. CalPERS retirement processing times vary and can take between 30 - 90 days before receiving your first retirement check. CalPERS will pay you retroactive to the date you listed on your retirement application.
<b>The ASP Application Employee Signature page notes, "I request that the City consider my employment milestone date (date of hire or birthday) of _____ in determining my separation date. How is this date used to determine my separation date?"</b>	<p>If you have a milestone birthday or hire date anniversary coming up within the next couple of months that you would like the City to consider when determining your final separation date, we encourage you to list it on your application. Here are a couple of examples:</p> <ul style="list-style-type: none"> <li>• <b>Milestone hire date:</b> Ernie was hired on 11/19/1985 and will be celebrating 35 years with the City this year (11/19/2020). Ernie would like to reach 35 years of service prior to separating and retiring from the City and lists 11/19/1985 as a milestone date. Ernie's ASP application is approved on 10/5/2020 and instead of listing 11/5/2020 (30 days after approval), the City may consider Ernie's request and allow for a separation date of 11/19/20 so that he will have 35 years of service upon retirement.</li> <li>• <b>Milestone birthday example:</b> Jane is a CalPERS classic member (2.7% at 55) and will be turning 55 on 11/29/2020. Jane is interested in retiring though the ASP but would like the City to consider a separation date of 11/29/2020 so that she could receive the optimal retirement benefit formula available to her upon turning 55. In this example, the City may consider Jane's request and allow for a separation date of 11/29/20 so that she can retire at the age of 55.</li> </ul>
<b>How do I know if my application will be approved?</b>	The City will evaluate and determine the criticality of your position in maintaining the operation of the department and services to the community as well as the potential savings that can be realized if your position remains vacated.
<b>When is the deadline to submit my application?</b>	September 30, 2020 @ 5:00 p.m. unless an earlier date is set by the City Manager. Late applications may not be accepted. You are encourage to submit your application as soon as possible.
<b>When will I be notified if my application is approved or denied?</b>	The notification period will begin October 1, 2020.

<b>If my application is approved, how long do I have before I must separate?</b>	The required effective date of separation will generally be thirty (30) calendar days following notification of acceptance of the application. The City maintains sole discretion to issue the notification of acceptance on a schedule to set the required separation date in accordance with City business needs.
<b>My application was denied; can I file an appeal?</b>	The City Manager has the sole discretion to approve or deny applications and such decisions are not subject to appeal.
<b>My ASP application was denied. Can I still retire?</b>	Yes.
<b>I missed the ASP Webinars, can I view a recording?</b>	Yes, Please see below for links to the recordings: <a href="#">Friday, September 11 Recording</a> <a href="#">Monday, September 14 Recording</a> <a href="#">Thursday, September 17 Recording</a>
<b>LUMP SUM PAYMENT QUESTIONS</b>	
<b>Are taxes withheld on the lump sum payment?</b>	Yes, the cash payment would be treated as supplemental wages, not reportable to CalPERS and compensation earnable, but subject to Federal and State income tax withholdings.
<b>Can I defer any or all of the lump sum payment to my deferred compensation account?</b>	No, IRS rules do not allow you to defer a lump sum payment received as an incentive to separate to a deferred compensation account.  You may however be eligible to defer final pay or vacation or sick leave cash outs.
<b>Can I defer any or all of the payment to my Retirement Health Savings (RHS) account?</b>	No, the RHS rules do not allow voluntary contributions to your RHS account.
<b>BENEFIT QUESTIONS</b>	
<b>Are the City's medical contributions during the duration of the ASP considered taxable?</b>	Although final authority regarding taxability of benefits rests with the Internal Revenue Service, the City is informed and believes these contributions will not be taxable.
<b>If I take the ASP and leave the State of California, how does that effect my medical coverage and cost? Can I stay on my HMO and live out of state?</b>	No, our active HMO plans are designed for California only. If you go to the PPO plan, you are allowed to move out of state.
<b>I am double covered with medical insurance with my wife's plan. Do I have the ability to opt out of the city plan and return to the city plan at a later date once retired?</b>	The same rules apply per your MOU for retirement. You may need to speak with Benefits directly regarding your specific situation. Some MOUs do allow an employee to place their benefits on hold. This is on a case by case basis.
<b>If approved for the ASP and I retire, can I use RHS funds to pay for my premiums and medical expenses after retirement?</b>	ASP participants represented by a bargaining unit that has an approved MOU may use RHS funds to pay for medical premiums and medical expenses after retirement. If you are a member of a bargaining unit that does not have an approved MOU or an unrepresented employee, you will only be permitted to use RHS funds for premiums.
<b>I'm retiring under the ASP; what will my retiree medical</b>	Retiree medical premiums are subject to annual rate renewals, which could increase or decrease. To view the 2020 retiree rates, click <a href="#">here</a> . If you would

<p><b>premiums be after the 12 or 24 month duration of the ASP?</b></p>	<p>like to schedule a retirement counseling appointment and get an estimate of your premiums (minus any applicable City contribution), please email Benefits at <a href="mailto:benefits@anaheim.net">benefits@anaheim.net</a>.</p>																		
<p><b>I am retiring under the ASP; will I qualify to participate in the City's retiree medical plans after the 12 or 24 month duration of the program?</b></p>	<p>Eligibility for post-retirement medical benefits is dependent on the following:</p> <ul style="list-style-type: none"> <li>• Your bargaining unit MOU language (or Personnel Rules for non-represented employees)</li> <li>• Your continuous years of service as a fulltime employee</li> <li>• Your enrollment as a subscriber on the City's health plans at time of separation</li> </ul> <table border="1" data-bbox="691 422 1369 842"> <thead> <tr> <th>Bargaining unit</th> <th>Minimum Years of Fulltime Anaheim Service</th> </tr> </thead> <tbody> <tr> <td>AMEA</td> <td>10</td> </tr> <tr> <td>AFSCME</td> <td>5 MGMT 10 CONFIDENTIAL</td> </tr> <tr> <td>AFA</td> <td>10</td> </tr> <tr> <td>APA</td> <td>10</td> </tr> <tr> <td>APMA</td> <td>5</td> </tr> <tr> <td>IBEW General</td> <td>10 – IBEW Trust Only</td> </tr> <tr> <td>IBEW Management</td> <td>5</td> </tr> <tr> <td>Unrepresented</td> <td>5</td> </tr> </tbody> </table>	Bargaining unit	Minimum Years of Fulltime Anaheim Service	AMEA	10	AFSCME	5 MGMT 10 CONFIDENTIAL	AFA	10	APA	10	APMA	5	IBEW General	10 – IBEW Trust Only	IBEW Management	5	Unrepresented	5
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<p><b>I am not retirement eligible. What happens to my health insurance after the 12 month eligibility period to remain on the active plan?</b></p>	<p>Under existing Federal legislation (COBRA), you are entitled to maintain the City sponsored health plan for eighteen months (18); however, after the first twelve (12) months there is no City contribution made on your behalf and there is a 2% administration fee added to the cost of remaining on the plan.</p>																		
<p><b>I have a question about my benefits, who can I call?</b></p>	<p>We are here to help!  <b>Human Resources Benefits Division:</b>  714-765-5185   <a href="mailto:benefits@anaheim.net">benefits@anaheim.net</a>   <a href="http://www.myanaheimbenefits.com">www.myanaheimbenefits.com</a>  Please click <a href="#">here</a> for all other benefits -related contact information.</p>																		
<p><b>I am already Medicare age (65+); do I still need to apply for Medicare if I retire as part of the ASP with 12 to 24 months of medical coverage?</b></p>	<p>Yes. In order to avoid penalties, you must enroll in Medicare Part B during your initial enrollment period or a special enrollment period. The Initial Enrollment Period begins 3 months before your 65th birthday and ends 3 months after that birthday. The Special Enrollment Period is if 65 or older and covered under a group health plan based on your current work. If you want to know more about enrollment periods for Part B, please read the information about general and special enrollment periods in the "<a href="#">Signing up for Medicare</a>" section of the "<a href="#">Medicare</a>" booklet. For additional information on Medicare, visit <a href="http://socialsecurity.gov">socialsecurity.gov</a>.</p>																		
<p><b>Are there any upcoming Retirement and Benefits Webinars that I can attend?</b></p>	<p>Yes. On September 16 from 5:00 pm – 7:00 pm, the City will host a webinar with the following speakers: CalPERS (benefits and choices to maximize your retirement security); ICMA-RC (457 and RHS Options); Social Security Administration (Windfall Elimination Provision and Government Pension Offset); and Benefits Staff from the Human Resources Department). Sign up at: <a href="mailto:DeferredComp@anaheim.net">DeferredComp@anaheim.net</a></p> <p>On Sept. 22 from 11:30 am – 12:30 pm and 1:00 pm – 2:00pm, the City will host a webinar with ICMA-RC to help you understand potential retiree medical costs. ICMA-RC will go over RHS and Healthcare costs. <a href="#">Click here</a> to register.</p>																		

<p><b>I have a question about my Deferred Compensation benefits, who can I call?</b></p>	<p>Human Resources Deferred Compensation is here to help!</p> <p><b>Janice Garcia (Primary)</b>  Phone: (714) 765-5030  Email: <a href="mailto:jpgarcia@anaheim.net">jpgarcia@anaheim.net</a></p> <p><b>Janet Kang</b>  Phone: (714) 765-5370  Email: <a href="mailto:jkang@anaheim.net">jkang@anaheim.net</a>  <a href="http://www.icmarc.org/anaheimca.html">http://www.icmarc.org/anaheimca.html</a></p> <p><b>Ninnette Pintor</b>  Phone: (714) 765-4981  Email: <a href="mailto:npintor@anaheim.net">npintor@anaheim.net</a></p>
<b>ICMA-RC</b>	
<p><b>Ryan Carpenter</b>  Retirement Plans Specialist, ICMA-RC  (202) 360-2761 <a href="#">Email</a></p> <p><b>Scott Eason</b>  CERTIFIED FINANCIAL PLANNER™  Professional <a href="#">Email</a></p> <p><b>Participant Services</b>  <b>1-800-669-7400</b>  Para asistencia en Español 1-800-669-8216  Representatives are available Monday through Friday, 8:30 a.m. to 9 p.m. ET</p>	