



Voluntary Separation Program (VSP) Frequently Asked Questions

Q1: What is the Voluntary Separation Program?

The Voluntary Separation Program (VSP) is a budget tool that allows approved King County agencies to offer retirement-eligible employees a financial incentive to separate from employment by December 31. The program is expected to provide cost savings and minimize the number of employees subject to a reduction in force.

Q2: What forms and documents should I look at to learn more?

The County encourages all employees considering participation to discuss the VSP with any trusted advisors they like; and employees are asked to read through this FAQ and to review these related program documents, which are available on the Department of Human Resources' Policy Page website at:

[Separation of Employment - Voluntary Separation Program \(VSP\)](#)

- The Voluntary Separation Application for Employees
- The Voluntary Separation Agreement form for Employees
- The VSP Ordinance No. 18696
- List of Approved Agencies

Q3: Why should I consider voluntary separation?

Some retirement-eligible employees who currently work would retire if a single financial incentive that made earlier retirement a doable option was available.

Q4: How can my voluntary separation reduce future layoffs?

The position of the separated employee may be eliminated instead of eliminating one that would have resulted in a layoff.

Q5: How can my voluntary separation reduce costs?

- Your position was eliminated from the budget, thereby creating permanent, on-going cost savings.
- Your position was repurposed and filled at a lower salary range, thereby creating permanent, on-going cost savings.
- Your position was filled in the same salary range, but at a lower step, thereby providing longer-term, limited cost savings.
- The notice that you provide may grant your agency additional time to realign work, which may lower costs, both in the short-term and long-term.

Q6: How much is the incentive payment?

In 2020, participating agencies may offer a full-time employee a financial incentive of \$20,540. This sum is roughly equal to the County's maximum out-of-pocket unemployment compensation cost per laid off employee.

- For part-time employees, the amount is prorated to the percentage of full-time based on the employee's standard schedule.

Q7: Are there payroll or taxable withholdings on the incentive payment?

Yes, the financial incentive is subject to mandatory withholdings. Questions should be emailed to Benefits and Retirement Navigator [Carmen Johnson](#). You may also call her directly at 206-263-1096.

Q8: What else should I know about the incentive?

- The monetary incentive may not be used to fund the Voluntary Employees Beneficiary Association Plan (VEBA).
- The monetary incentive may be used to pay for COBRA.
- Legally required withholdings will be deducted from the check. As of January 2020, the supplemental taxable withholding rate was 22% (this rate may change in some years), and FICA taxes will be withheld.
- If you separate on December 31, you should receive the incentive check in the mail at the address that the County has on file within 45 days.
- If you separate on December 31, the check will be issued and dated in the following year.
- The incentive check will show up on your W-2 for the year dated/paid.
- The incentive will be paid in a single lump sum.

Q9: Is my agency participating in VSP?

A current list of participating agencies is located on the Department of Human Resources' Policy Page website at:

[Separation of Employment - Voluntary Separation Program \(VSP\)](#)

Q10: I am represented by a labor organization. Does my labor organization need to agree to participate in VSP?

Eligibility is dependent on the employee's labor organization agreement to participate. Represented employees may contact their labor representative and/or HR Manager for details about their eligibility to participate.

Q11: How do I know if I qualify to participate?

Your request to participate will be *considered* by your agency and reviewed on a case-by-case basis to determine the impact or benefit.

You are *not* eligible if:

- You are a temporary employee: Term-Limited Temporary (TLT) or Short-Term Temporary (STT).

- Your agency has not announced its intent and been approved to participate in the program.
- You are represented by a labor organization that has not agreed that its members may participate in the program.
- You announced your intent to retire in writing before your agency announced its intent to participate in the program.
- Your position has been identified for a reduction in force and you have no bumping rights.

Willing and eligible employees will be reviewed for VSP once they self-identify. Each case will be reviewed to determine the impact to service delivery, impact on the retention of other skilled employees, cost of refilling the vacated position, and short-term and long-term cost savings.

If you can answer “Yes” to all the following questions, you *may be considered* for VSP by your agency:

- Are you a Regular employee (includes appointed Regular employees)?
- Are you a currently employed retirement-eligible employee?
- Do you have at least five (5) years of current continuous service?
- Has your agency been approved to participate for the year?
- Will you submit a written request to participate in this program by:
 - Completing and signing your VSP Application and Voluntary Separation Agreement on or before November 1. Please note that agencies may require earlier deadlines.
 - Submitting your separation notification.
 - Leaving King County employment by December 31 of the year in which you apply. Please note that agencies may require earlier deadlines.
- Do you accept that you will no longer be eligible for reemployment with King County in any position, including a temporary position?
- Do you accept that you will not file for unemployment compensation upon separation of employment from King County?
- Are you eligible to apply for a pension (either full or reduced benefits) from one of the following retirement systems on or before separation of employment?
 - Law Enforcement Officers’ and Firefighters’ Retirement System
 - Public Employees’ Retirement System
 - Public Safety Employees’ Retirement System
 - Seattle City Employees’ Retirement System

Separation must occur but you do not have to start drawing from the pension to be considered eligible.

Q12: If my request to participate in the VSP is denied, may I grieve or otherwise appeal that decision?

Denial of your request to participate in the VSP is not subject to the grievance process. If an employee believes the denial of their application was inappropriate or unjustified, the employee can submit a request to the Human Resources Director for a review.

Q13: What happens when I leave County employment under VSP?

- If you participate in this program and you actually retire, you will be eligible for your 35% sick-leave payout, subject to a VEBA agreement. You may **not** cash out your sick leave or be eligible for the County's retiree medical plan **unless** you immediately begin drawing your pension.
- Accrued compensatory time is received as a cash sum.
- Executive leave is not paid out. It must be used, or it will be forfeited.
- All participating employees, regardless of their choice to retire or not, will be eligible to receive their vacation leave cashed out, subject to a VEBA agreement.
- Cash out payments occur a full pay cycle (up to two pay periods) after your final paycheck is issued.
- Separating from employment under VSP means you cannot file for unemployment upon separating from the County under this program. If you are employed elsewhere (not with King County) after you separate under this VSP, you may be eligible for unemployment compensation if laid-off by that employer.

Q14: How can I find out more about my retirement readiness?

King County participates in the Washington State Department of Retirement Systems. Access forms and get the facts on your retirement plan at the Department of Retirement Systems (DRS) site: <http://www.drs.wa.gov/>.

You can find more information on Retirement Readiness by visiting the King County Retirement website or by attending a [Road to Retirement class](#), or email kc.orientations@kingcounty.gov. You may also email Benefits and Retirement Navigator [Carmen Johnson](#), or call her directly at 206-263-1096.

When you retire from County employment, Benefits and Retirement Operations automatically notifies DRS; however, employees should consider contacting DRS well before separation to:

- Obtain the schedule and attend a retirement planning seminar. DRS recommends attending a seminar two to five years before you retire, but it is never too late.
- Get an estimate of your retirement benefits.
- Request an application for retirement.



Q15: What are the retirement plans?

- **Regular or Local 587 employee** = Public Employees' Retirement System (PERS)
- **Deputy Sheriff or Paramedic** = Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
- **Public Safety employee** = Public Safety Employees' Retirement System (PSERS)
- **Former City of Seattle employee** = Seattle City Employees' Retirement System (SCERS) if you were formally grandfathered with continued participation in the city retirement system <http://www.seattle.gov/retirement/faq.htm>

Standard retirement eligibility varies by plan, as noted below:

Plan	Standard Full Retirement Eligibility*	Reference
PERS 1	Age 60 and 5 years of service Age 55 and 25 years of service 30 years of service (any age)	RCW.41.40.180
PERS 2	Age 65 and 5 years of service	RCW 41.40.630(1)
PERS 3	Age 65 and 10 years of service Age 65 and 5 years of service, including 12 months of service after age 44 Age 65 and 5 years of service, if the member completed 5 years of service before the Plan 2 to Plan 3 transfer date in RCW 41.40.795	RCW 41.40.820(1)
LEOFF I	Age 50 and 5 years of service	RCW 41.26.090(1)
LEOFF II	Age 53 and 5 years of service	RCW 41.26.430(1)
PSERS	Age 65 and 5 years of service credit Age 60 with 10 years of PSERS service credits	RCW 41.37.210

*For early retirement options, see more information on the referenced RCW (e.g., PERS 2: Age 55 or older plus 20 years of service with actuarial deduction).

The Washington State Department of Retirement Systems provides an annual retirement statement. As a member of one of the participating retirement systems you can log into your online personal defined benefit account: <http://www.drs.wa.gov/>.

Q16: What kind of documentation must I provide my agency about my eligibility to retire?

You must contact DRS at <http://www.drs.wa.gov/> to obtain the documentation. One of the following is required:

- DRS Service Credit History
- DRS Annual Retirement Statement
- Any other DRS sourced document that indicates retirement eligibility

Q17: Why does the VSP Agreement say that I have 45 calendar days to consider the agreement and seven (7) days after I sign it to revoke my agreement?

When an employer such as the County offers voluntary separation incentive programs, your opportunity to consider and revoke the agreement is required under the federal Age Discrimination in Employment Act, also known as the ADEA. The ADEA protects

workers older than 40 from discrimination based on age. You have 45 days from the date that you submitted your VSP Application to sign the Agreement. Once signed, you have seven days to revoke your agreement if you then change your mind.