

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/or minimize the number of employees subject to a reduction in force.

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

The County encourages all employees considering participation to discuss the VSP with any trusted advisors of their choosing. Additionally, employees should read through this FAQ and review the related program documents, which are available on the Department of Human Resources' Policy Page website at:

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

- *Voluntary Separation Program King County Code 3.12S Reference*
- *Employee Frequently Asked Questions*
- *List of Approved Agencies*
- *The Voluntary Separation Agreement form for Employees*
- *The Voluntary Separation Application for Employees*

Q3: Why should I consider voluntary separation?

If you are retirement-eligible, a single financial incentive to voluntarily separate may make earlier retirement or separation an option for you.

Q4: How can my voluntary separation reduce future layoffs?

When you choose to voluntarily separate, your position may be eliminated instead of eliminating another position that would have resulted in a layoff.

Q5: How can my voluntary separation reduce costs?

Savings occur one of four ways:

- 1) Your position will be eliminated from the budget, thereby creating permanent, on-going cost savings.
- 2) Your position will be repurposed and filled at a lower salary range, thereby creating permanent on-going cost savings.
- 3) Your position will be filled in the same salary range but at a lower step, thereby providing longer-term limited cost savings; or
- 4) 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 2022, participating agencies may offer a full-time employee a financial incentive of \$24,154. 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 work schedule.

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

Yes, the financial incentive is subject to mandatory withholdings. Additional questions about tax or withholdings should be directed to Benefits, Payroll and Retirement Operations at 206-684-1556 or kc.benefits@kingcounty.gov.

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 Consolidated Omnibus Budget Reconciliation Act (COBRA).
- Legally required withholdings will be deducted from the check. As of January 2022, the supplemental taxable withholding rate was 22% (this rate may change in some years). Federal Insurance Contributions Act (FICA) taxes will also be withheld.
- You can have a portion, or possibly all your VSP payment deducted and contributed to a Deferred Compensation Plan account. This is true for those with a current existing plan, and those that are not currently participating in the Deferred Compensation Plan. If you are interested in having this pre-tax deduction, please contact the Plan Administrator at kcdeferredcomp@kingcounty.gov.
- When you separate, you should receive the incentive check via direct deposit if still active, or in the mail at the address that the County has on file within 45 working days.
- If you separate in mid-to-late December, the check will be issued and dated in the following year.
- The incentive check will be reported on your W-2 as wages for the year in which it is paid.
- The incentive will be paid in a single lump sum.

Q9: Is my agency participating in VSP?

Not all agencies participate in the VSP program. 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 for me to participate?

Yes. Eligibility is dependent on a represented employee's labor organization's agreement to participate each year. This is true even for those members of the bargaining unit who have opted out of union membership. Represented employees may contact their labor representative and/or their HR Manager for details about their eligibility to participate.

Q11: How do I know if I am eligible 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 to participate 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 resign or retire to your agency 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.
- Your department does not agree to allow you to participate in the program for operational reasons.
- You have previously retired from King County government.
- You are not currently eligible to retire from the following eligible list of retirement systems:
 - Law Enforcement Officers' and Firefighters' Retirement System (LEOFF)
 - Public Employees' Retirement System (PERS)
 - Public Safety Employees' Retirement System (PSERS)
 - Seattle City Employees' Retirement System (SCERS)

Applications will be reviewed for VSP eligibility once employees self-identify and apply. Each application 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 as defined by Code (includes appointed Regular Employees)?



- Are you currently employed and eligible to apply for a pension with 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 (LEOFF)
 - Public Employees' Retirement System (PERS)
 - Public Safety Employees' Retirement System (PSERS)
 - Seattle City Employees' Retirement System (SCERS)
 - An employee that has retired from one of these retirement systems with another jurisdiction and has since become eligible as a King County employee in one of these retirement systems, would be eligible.
 - Separation from the County must occur, but you do not have to start drawing from the pension to be considered eligible.
- Do you have at least five (5) years of current continuous regular 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.**
- 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?
- If approved, will you:
 - Submit your separation notification?
 - Leave King County employment by December 31 of the year in which you apply? **Please note that agencies may require earlier deadlines.**

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 via VSP?

- If you participate in this program and you retire, you will be eligible for your 35% sick-leave cash out, subject to a VEBA agreement, if applicable. You may **not** cash out your sick leave and are not eligible for the County's retiree medical plan **unless** you immediately begin drawing your pension.
- Accrued compensatory time will be received as a cash sum.
- All participating employees, regardless of their choice to retire or not, will receive their vacation leave cash out, subject to a VEBA agreement, if applicable.
- Executive leave will not be paid out. It must be used prior to separation, or it will be forfeited.

- Cash out payments occur a full pay cycle (up to two pay periods) after your final paycheck is issued.
- Separating from employment via VSP means you cannot file for unemployment upon separating from the County through this program. If you are employed elsewhere (not with King County) after you separate via 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 (DRS). You can access retirement forms and get the facts about your retirement plan at the **DRS website**: <http://www.drs.wa.gov/>.

Once VSP has been announced for your agency, if you are interested in retiring, request an official estimate of benefits from the Washington State Department of Retirement Systems (DRS), as soon as possible. This request can take approximately 6-12 weeks, and is the first step in the retirement process with DRS. The DRS estimate is required to complete your retirement with the County and not having it in time may delay your retirement and could invalidate your VSP eligibility. *Receiving an official estimate of benefits does not mean that you must complete the retirement application process unless you want to.*

You can find additional information on retirement readiness and planning by visiting the [King County Retirement website](#), or by attending a [Road to Retirement class](#) by contacting carmen.johnson@kingcounty.gov. You may also contact Benefits and Retirement Operations directly at kc.benefits@kingcounty.gov or 206-684-1556 for additional information.

Employees should consider contacting [DRS](#) well before retirement to:

- 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 and who belongs to them?

- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)
 - **Deputy Sheriffs or Paramedics**
- Public Safety Employees' Retirement System (PSERS)
 - **Public Safety employees**
- Seattle City Employees' Retirement System (SCERS) if you were formally grandfathered with continued participation in the [City's retirement system](#)
 - **Former City of Seattle employees**

- Public Employees' Retirement System (PERS)
 - **Most other retirement-eligible employees, including members of ATU Local 587**

Standard retirement eligibility varies by plan, as noted below. Employees eligible for early retirement are also eligible for the VSP program.

Plan	Standard <i>Full</i> 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 (DRS) provides members 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 to establish 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; or
- 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 through 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 have received a copy of the VSP Agreement from your agency. Once signed, you have seven days to change your mind and revoke your agreement.