

# ACCELERATED SEPARATION PROGRAM

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CITY OF ANAHEIM – HUMAN RESOURCES



# OVERVIEW

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The Accelerated Separation Program (ASP) is intended to:

- ✓ Mitigate budget shortfalls as a result of COVID-19
- ✓ Provide a more employee-friendly approach to reduction of labor costs
- ✓ Incentivize voluntary departures
  - Retirement eligible
  - Pre-retirement



# WHO CAN APPLY?



- Full-time employees eligible to retire
  - Full-time employees ineligible to retire with at least 20 years of service
  - Full-time employees ineligible to retire with less than 20 years of service
  - Non-represented or represented by a bargaining unit with a Letter of Understanding with the City implementing the program
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- Part-time employees are not eligible to participate in the program

Now let's explore your options!



# RETIREMENT OPTIONS

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Option A1	Lump Sum Payment	Medical Benefits
Full-Time Eligible to Retire	Cash payment of 25% of base salary, up to a maximum of <b>\$25,000</b>	Keep medical/dental and City contributions at the active rate for <b>12</b> months
Option A2	Lump Sum Payment	Medical Benefits
Full-Time Eligible to Retire	Cash payment of 25% of base salary, up to maximum of <b>\$15,000</b>	Keep medical/dental and City contributions at the active rate for <b>24</b> months



# PRE-RETIREMENT OPTIONS

Option B	Lump Sum Payment	Medical Benefits
Full- Time Ineligible to Retire with 20 years or more	Cash payment of <b>\$15,000</b>	COBRA coverage in the active medical/dental plan currently enrolled in with City contributions for <b>12</b> months.
Option C	Lump Sum Payment	Medical Benefits
Full- Time Ineligible to Retire with less than 20 years and passed initial probation	Cash payment of <b>\$10,000</b>	COBRA coverage in the active medical/dental plan currently enrolled in with City contributions for <b>12</b> months.



# FULL-TIME MEDICAL RATES 2020



## 2020 Medical Plan Rates

Full-Time Employees	Active Rates - ASP			Pre 65 Retiree Rates – Post ASP	
	Active Rate	City Contribution	Employee Monthly Cost	Retiree Rate	Retiree Monthly Cost
<b>Kaiser HMO</b>					<b>Retiree medical costs will vary depending on your bargaining unit, hire date, years of service, and age.</b>  <b>Be sure to schedule a retirement counseling appointment with Benefits to obtain a personalized estimate.</b>
Single	\$611.53	\$544.65	\$66.88	\$733.41	
Two-Party	\$1,223.06	\$1,089.20	\$133.86	\$1,466.82	
Family	\$1,730.62	\$1,541.24	\$189.38	\$2,075.55	
<b>Aetna HMO</b>					
Single	\$874.59	\$757.71	\$116.88	\$1063.31	
Two-Party	\$1,752.83	\$1,523.13	\$229.70	\$2,130.99	
Family	\$2,479.17	\$2,145.77	\$333.40	\$3,014.06	
<b>Aetna OAMC</b>					
Single	\$1,470.08	\$1,133.42	\$336.66	\$1,901.63	
Two-Party	\$2,940.19	\$2,259.55	\$680.64	\$3,803.26	
Family	\$4,160.36	\$3,182.64	\$977.72	\$5,381.61	
<b>Aetna HSA OAMC</b>					
Single	\$1,232.31	\$990.57	\$241.74	\$1,380.57	
Two-Party	\$2,464.59	\$1,975.67	\$488.92	\$2,761.11	
Family	\$3,487.42	\$2,782.60	\$704.82	\$3,906.98	

# FULL-TIME DENTAL RATES 2020



## 2020 Dental Plan Rates

Full-Time Employees	Active Rates - ASP			Pre 65 Retiree Rates – Post ASP	
		City	Employee		Retiree Dental
DeltaCare USA HMO	Active Rate	Contribution	Monthly Cost	Retiree Rate	Cost
Single	\$17.04	\$17.04	\$0.00	\$17.04	Retiree dental costs will vary depending on your bargaining unit, hire date, years of service, and age.
Two-Party	\$28.18	\$28.18	\$0.00	\$28.18	
Family	\$41.65	\$41.65	\$0.00	\$41.65	
<b>Delta Dental PPO</b>					
Single	\$57.72	\$24.99	\$32.73	\$57.72	Be sure to schedule a retirement counseling appointment with Benefits to obtain a personalized estimate.
Two-Party	\$98.14	\$38.89	\$59.25	\$98.14	
Family	\$150.07	\$56.03	\$94.04	\$150.07	

# COST COMPARISON: ACTIVE VS. RETIREE PLANS

Retiree medical costs can vary depending on your bargaining unit, hire date, years of service, and age. By retiring with the ASP plan, you will save money by remaining on the active medical plans and continuing to receive the City's contribution.

**Retiree A: Represented by AMEA, hired 1/10/88, 58 years old, 32 years of service, City Contribution of 44.83%, enrolled in Aetna HMO – Two Party**

Retiree Plan	Active plan under ASP
Cost of plan: \$2,130.99	Cost of plan: \$1,752.83
Retiree cost: \$1,175.69	Retiree cost: \$216.74
City cost: \$955.30	City cost: \$1,536.09

Retiree A is saving \$958.95 monthly for 12 – 24 months by participating in the ASP!

**Retiree B: Represented by AMEA, hired 1/10/99, 58 years old, 21 years of service, not eligible for a City contribution, enrolled in Aetna HMO – Two Party**

Retiree Plan	Active plan under ASP
Cost of plan: \$2,130.99	Cost of plan: \$1,752.83
Retiree cost: \$2,130.99	Retiree cost: \$216.74
City cost: Not Applicable	City cost: \$1,536.09

Retiree B is saving \$1,914.25 monthly for 12 – 24 months by participating in the ASP!



# APPLICATION PROCESS



- Apply during the open application period starting **September 9<sup>th</sup>, 2020 @ 8am.**
- Incomplete and/or late applications will be rejected.
- Employees must sign a mandatory separation agreement within five (5) calendar days after being approved.
- The required effective date of separation will be thirty (30) days after notice of acceptance.

# GENERAL CONDITIONS

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- ❖ Only **completed** applications received during open application will be considered
- ❖ City of Anaheim to set separation date
- ❖ City Manager has **sole discretion** to approve or deny application; **denials shall not** be subject to appeal
- ❖ Cash payments are subject to federal and state withholdings and not reportable to CalPERS as total compensation



# FREQUENTLY ASKED QUESTIONS

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## ✓ How do I apply for the program?

Download the application on <http://insider.anaheim.intranet/hr/HRHive/> complete all required information, and submit to HR. \*Be sure to note “ASP Application” on email subject line or envelope.

1. email to [benefits@anaheim.net](mailto:benefits@anaheim.net)
2. hand-deliver
3. mail to Human Resources

## ✓ When will I be notified if my application is approved or denied?

The notification period will begin October 1<sup>st</sup>, 2020

## ✓ When is the deadline to submit my application?

September 30<sup>th</sup>, 2020 @ 5pm, unless an earlier date is set by the City Manager



# QUESTIONS/ RESOURCES



Please contact the Human Resources  
Department at X 5111  
for additional questions related to the ASP.

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For retirement counseling and to get an  
estimate of your retiree premiums after the  
ASP coverage period, contact the Benefits  
team via email at:

[benefits@anaheim.net](mailto:benefits@anaheim.net)

