

# **VOLUNTARY SEPARATION INCENTIVE PROGRAM**

(April 13, 2025 – June 28, 2025)

## **1. Purpose**

The County of Mendocino is facing significant budget shortfalls. The purpose of the Voluntary Separation Incentive Program (VSIP) is to allow and encourage departments to plan how best to align the workforce with leaner organizations, while simultaneously minimizing the broad negative impact of involuntary staff reductions. The VSIP presents an opportunity for departments to offer lump-sum, post-separation payments to selected positions as an incentive for employees to voluntarily separate employment from the County.

When authorized by the Board of Supervisors, a department may offer the VSIP incentives to employees in approved positions who volunteer to separate by resignation or retirement. Eligible employees who voluntarily leave county employment afford departments the opportunity to minimize or avoid involuntary separations. By providing a separation incentive, departments may be better poised to strategically plan their future resources, realize financial savings, and avoid involuntary staff reductions.

## **2. VSIP Employee Eligibility & Participation**

Eligibility to participate in the VSIP shall be determined in accordance with the following conditions:

- a. Employees must currently be employed by the County of Mendocino and occupy a regular, allocated position.
- b. Employees must be at-will exempt or must have achieved permanent status in their current service period according to the County of Mendocino Civil Service Rules and Mendocino County Code, i.e. must have successfully completed the initial probationary period. Employees may be in promotional probation status and qualify for the program, so long as they have completed a probationary period in at least one Mendocino County class.
- c. Employees must occupy a classification identified on the VSIP Designation List, which is comprised of classifications and portions of programs selected by their department head for participation and approved by the Board of Supervisors, or County Chief Executive Officer and ratified by the Board (See Section 5.a Process). Department heads further determine the number of allocations within each identified classification, including classifications within specific budget units and/or program(s), eligible to participate.
  1. Department heads may also identify a program, the classifications, and the total number of positions within those programs eligible for the VSIP. Employees must occupy a classification within the program identified by their department head in order to be eligible for the VSIP.
- d. To participate in the VSIP, eligible employees must sign the County authorized VSIP Resignation and Release Agreement addressed to their department head and identify the effective date of their resignation (last day of paid status with the county).

1. Eligible employees must submit their Resignation and Release Agreement between March 30, 2025, and April 9, 2025. The voluntary resignation date must be effective on or after April 13, 2025, and on or before June 21, 2025.
  2. Once the VSIP Resignation and Release Agreement has been signed and received by the department head and after a seven-day revocation period, the agreement becomes effective and enforceable on the voluntary resignation date and the County will authorize payment of the incentive.
  3. Any VSIP Resignation and Release Agreements submitted after the maximum number of incentives has become effective and enforceable will not be considered and the employee will not be eligible to participate in the VSIP.
  4. Individuals who submitted a retirement or resignation notice to their department prior to February 11, 2025, with a separation date between April 13, 2025, and June 21, 2025, may be eligible for the VSIP incentive.
- e. Employees who accept a VSIP incentive are not prohibited from filing claims for unemployment benefits. Such employees will acknowledge that they may be denied such unemployment benefits based upon the employees' written acknowledgement that their decision to separate from County employment is entirely voluntary. The County reserves the right to challenge any such application for unemployment benefits.
  - f. Employees who voluntarily separate from County employment in conjunction with this program and receive the separation incentive agree that they are ineligible for regular, extra-help, or at-will employment with the County, for a period of two (2) years from the date of separation.
  - g. Eligible employees will receive the incentive according to the position allocation occupied, and the following schedule:
    1. .75 FTE – 1.00 FTE receive 100% of the corresponding incentive
    2. .74 FTE and below are not eligible for the VSIP
  - h. Employees in approved classifications or positions are NOT eligible for the VSIP under any of the following conditions:
    1. Have received a notice of termination for misconduct or poor performance within the VSIP effective dates (April 13, 2025 – June 21, 2025), or which results in an involuntary separation during the effective period.
    2. Are currently employed in a position allocation of less than .75 FTE.
    3. Have not successfully achieved permanent status in their current service period and is not at-will exempt.

### **3. Incentive Payment Provisions**

- a. An eligible employee participating in the VSIP shall receive a cash payment paid post separation from employment from the County and subject to all state and federal tax

withholding. The separation pay will be in exchange for signing the VSIP Resignation and Release Agreement.

- b. Retirement eligibility and/or benefits are not impacted by this Program.
  - 1. The cash payment occurs post-employment and is not deemed part of “final compensation” for purposes of calculating retirement benefits.
- c. VSIP eligible employees with a resignation date falling on or within the specified years of current service as outlined in the following parameters:
  - 1. Employees with 10 years or more of current service to the County of Mendocino at the date of resignation will receive an incentive payment of \$15,000 and \$1,000 for each full year of current service beyond 10 years up to an additional incentive of \$10,000, for a maximum incentive of \$25,000.
  - 2. Employees with fewer than 10 years of current service to the County of Mendocino at the date of resignation will receive an incentive payment of \$10,000 and \$1,000 for each full year of current service beyond 5 years up to an additional incentive of \$4,000, for a maximum incentive of \$14,000.

(All payments shall be subject to all state and federal tax withholding and program requirements).

#### 4. **Department Conditions**

The following conditions must be met by departments who offer the VSIP to classifications and/or positions within their department:

- a. In order to address the County’s projected budgetary shortfall, department heads will identify eligible classifications in their department and the maximum number of separation incentives per classification to be authorized.
  - 1. Classifications may be identified by budget unit or program, as defined by the department head. For example, a department head may offer two (2) total VSIP incentives to “X” classification assigned to “X” program.
  - 2. Department heads may also identify a program and the total number of positions within those programs eligible for the VSIP. For example, a department head may offer two (2) total VSIP incentives for “X” program, while also identifying all of the classifications within that program that are eligible for the two (2) total VSIP incentives.
    - i. Employees must occupy a classification within the program identified by their department head in order to be eligible for the VSIP.
- b. Positions identified for the VSIP of which an incentive is paid, the department heads will change the “funded” status to “vacant unfunded frozen” and will remain vacant for a two (2) year period.

1. Savings for position(s) identified to remain vacant must equate to at least 90% of the annual base salary cost of the position taking part in the VSIP. If the savings do not equal 90%, departments must gain CEO approval.
  2. The Board of Supervisors reserves the right to remove the allocation of any and all vacancies being held vacant as a result of this program.
  3. Department Heads will be responsible for analyzing all necessary budgetary/service delivery implications of vacancies created by an employee voluntarily participating in the VSIP, and will identify the strategy, plan, and timing designed to adjust the size of the organization in a manner that reduces costs, avoids layoffs, and meets departmental budgetary and fiscal objectives.
  4. After the two (2) year period has elapsed, departments may request the CEO approve positions vacated through the VSIP to move from “vacant unfunded frozen” status to “funded” status if the department can demonstrate funding.
  5. The status of all vacant positions of the same classification(s) designated for VSIP in the department will be changed to frozen as well, with the exception of positions in active recruitment as of the date Department Heads are notified of the implementation of the VSIP.
- c. Received, authorized eligible VSIP Resignation and Release Agreements shall be forwarded to Human Resources and the County Executive Office for tracking purposes.
1. Incentive payments will originate with the department.
- d. Departments will be responsible for notifying all employees in the eligible job classification or position of their VSIP eligibility and the number of VSIP incentives to be offered.
- e. VSIP incentives may not be withdrawn once approved by the Board of Supervisors or added by the CEO and will remain in effect until the end of the VSIP effective dates.

**5. Process**

- a. The Board of Supervisors shall adopt a list of eligible classifications (“Designation List”) and the maximum number of VSIP incentives per classification to be offered within each department, budget unit or program.
  1. The CEO may approve additions to the Designation List, with updated lists to be ratified by the Board.
- b. Departments will be responsible for notifying employees of their eligibility in the VSIP and distributing to them program information and the form VSIP Resignation and Release Agreement by February 12, 2025. A 45-day consideration period for employees will follow.
- c. VSIP Resignation and Release Agreements may be received by departments beginning March 30, 2025 and through April 9, 2025. VSIP Resignation and Release Agreements

received prior to March 30, 2025, shall not be considered or acted upon until on or after March 30, 2025.

1. Once the maximum number has been received and become effective and enforceable, additional VSIP Resignation and Release Agreements will not be accepted as eligible for the program, and additional letters will be null and void, unless the department head requests, and the Board or CEO approves as required, an amended maximum number for that classification before the end of the VSIP program period (June 28, 2025).
  - i. Departments will have the opportunity to amend the Designation List during the program's duration, with Board approval as required. However, no such amendments shall be approved after April 15, 2025.
  - ii. In the event that an amended Designation List results in a new classification becoming eligible for the VSIP, departments will be responsible for notifying the positions that are eligible and providing the form VSIP Resignation and Release Agreement to the affected employees within one week after the Board adopts the new list or the CEO approves the addition, but no later than April 15, 2025. VSIP Resignation and Release Agreements will not be considered or acted upon by the departments until after 45 days from providing the form VSIP Resignation and Release Agreement to the affected employees. Incentive payments will follow the same schedule listed in this program.
- d. In the event that more eligible employees in the designated job classification, position or program apply for the VSIP than there are incentives available, the number of designated incentives shall be awarded on a seniority basis in the classification.
  1. If two or more employees have the same seniority, the tie shall be broken by the use of length of current County service, with the VSIP program/payment to be awarded to the longest serving employee.

**6. Term**

Subject to approval by the Board of Supervisors, VSIP incentives will only be offered to eligible employees who submit their VSIP Resignation and Release Agreement between on or after March 30, 2025, and on or before April 9, 2025. The effective date of resignation must be on or after April 13, 2025, and up to and including June 28, 2025.

**7. Communication**

The County and employee organizations may develop and distribute literature to represented employees that publicize and explains the VSIP.