The expected increase in the employee contribution rate is .220% of payroll beginning FY 12/13. The total service credit cost is $21,992,390 or $1,661,057 per year when amortized over 20 years. The leave balance payments are amounts that will be required to be paid by the County in any event, and not a cost of giving the early retirement incentive, but we included them as part of the cost due to their impact on the current year budget.

In summary, we recommend moving forward with an early retirement incentive for a 180-day window as a way to mitigate the impact of the budget reductions. The results from the prior incentive have proven to be successful in reducing costs, and the flexibility in identifying positions to be eliminated will allow the County to balance the impact across departments as necessary. If the Board directs us to exclude certain departments or positions from eligibility, revised cost estimates and dates can be prepared for the next meeting.