# **Voluntary Buy-Out Checklist**

VOBO Number\_\_\_\_\_

For statutory reference, see Title 74, Section 840-2.28 through 2.30

Agency \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date Received\_\_\_\_\_\_\_\_\_\_\_\_ Date Approved\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Has the agency sent a:

* Formal letter to OMES requesting a VOBO? Yes\_\_\_ No\_\_\_
* Notice to relevant state employee associations? Yes\_\_\_ No\_\_\_
* Required OMES Form outlining:
  + Why a reduction-in-force is imminent1 Yes\_\_\_ No\_\_\_
  + Anticipated impact of the RIF on the agency Yes\_\_\_ No\_\_\_
  + The VOBO benefits the agency intends to offer Yes\_\_\_ No\_\_\_
  + How the offer will be executed Yes\_\_\_ No\_\_\_
* Spreadsheet showing the calculations for each employee? Yes\_\_\_ No\_\_\_

2. Has the agency budgeted the required benefits as outlined below:

* 18 months of health insurance premiums for each employee? Yes\_\_\_ No\_\_\_
* Longevity payments? Yes\_\_\_ No\_\_\_
* FICA?2 Yes\_\_\_ No\_\_\_
* Annual Leave? Yes\_\_\_ No\_\_\_
* Unemployment Insurance? (If Applicable): Yes\_\_\_ No\_\_\_

3. Has the agency chosen to give optional benefits? Yes\_\_\_ No\_\_\_

4. If yes, please specify:

\_\_\_\_\_1 weeks pay for each year of service

\_\_\_\_\_Payment for accumulated sick leave, up to one-half of the employee’s hourly rate

\_\_\_\_\_Max lump sum of $5,000

\_\_\_\_\_Payment of health benefit premiums for a period not to exceed 18 months.

Comments (Please mention any special combination or arrangements.):

5. Is the same VOBO package being offered to each employee? Yes\_\_\_ No\_\_\_

6. Have all employees worked for a year or longer?\* Yes\_\_\_ No\_\_\_

\*There is some discussion that this “wait time” does not apply to permanent classified employees. Before processing a VOBO with an employee that has been an agency employee for less than a year, consult with an OMES attorney.

7. Are there any part-time employees eligible for a VOBO? Yes\_\_\_ No\_\_\_

* If yes, will they have worked 1,000 hours by the time the VOBO is accepted? Yes\_\_\_ No\_\_\_

8. Does the agency expect any employees to use the education voucher option? Yes\_\_\_ No\_\_\_

* If yes, how many?\_\_\_\_\_\_\_\_

9. Does the agency expect any employees to use sick leave for early retirement? Yes\_\_\_ No\_\_\_

* If yes, how many?\_\_\_\_\_\_\_\_

1. If the process is not voluntary, then it is a RIF which falls under a different set of laws. For statutes regarding RIFS, see Title 74, Section 840-2.27A through 2.71I.

2. To calculate FICA, the agency should add up all costs, except for unemployment insurance, and multiply by .0765. Any additional payment of health benefit premiums, outside of the required payments, might also be excluded. At this time, it is unknown.