

VOLUNTARY SEPARATION INCENTIVE PROGRAM

(October 1, 2025 – March 30, 2026)

1. Purpose

The county continues to face significant budget shortfalls. The purpose of the Voluntary Separation Incentive Program (VSIP) is to allow and encourage county departments to plan how best to align the workforce with leaner organizations, while simultaneously minimizing the broad negative impact of layoffs. 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 due to staff reduction layoffs. By providing a separation incentive, the county departments may be better poised to strategically plan their future resources, realize financial savings, and avoid involuntary layoffs.

2. VSIP Employee Eligibility & Participation

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

- a. Employee must currently be employed by the County of Humboldt and occupy a regular, allocated position.
- b. Employees must have achieved permanent status according to the County of Humboldt Merit System Rules; 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 County of Humboldt classification.
- c. As of June 30, 2025, employees must have at least five (5) or more years of service to the County of Humboldt to be eligible. Service must be consecutive and excludes temporary or extra-help appointments.
- d. As of June 30, 2025, an employee must be within five (5) years of CalPERS service retirement eligibility. To determine your eligibility, please contact CalPERS. Please note that there is no requirement to retire, only that the employee is within 5 years of eligibility to retire.
- e. The voluntary resignation date (last day in paid status with the county) must be effective on or after October 1, 2025, and on or before March 30, 2026.
 1. Resignation forms must be submitted to their department head on or before September 30, 2025.

- f. To participate in the VSIP, eligible employees must sign the county-authorized, irrevocable resignation letter addressed to their department head and identify the effective date of their resignation (last day of employment with the county).
 - 1. The resignation must be submitted to the department head by 5 pm, Monday, September 30, 2025. Additionally, the employee must sign the VSIP Waiver on the last day of employment.
 - 2. Once the VSIP Waiver has been signed and received by the department head, the county will authorize payment of the incentive.
- g. The county reserves the right to administer layoffs.
 - 1. If an involuntary layoff precedes an employee's committed VSIP resignation date, the employee will no longer be eligible for the VSIP.
 - 2. By mutual agreement between the employee and department head, an employee may elect to modify their date of resignation prior to being laid off in order to exercise the VSIP agreement and forego their lay off rights and associated benefits.
- h. In situations where fewer VSIP incentives are offered than there are employees in the job classification or position, eligibility will be determined on a first-come, first-served basis, based upon the date of receipt of the authorized resignation letter.
 - 1. In the event of a tie, the incentives will be determined based on seniority (see Section 5: Process).
 - 2. Any resignation letters submitted after the maximum number of incentives has been reached will not be considered and the employee will not be eligible to participate in the VSIP.
- i. Employees who accept a VSIP incentive may not be eligible to receive unemployment benefits based upon the employees' written acknowledgement that their decision to separate from county employment is entirely voluntary.
- j. Employees who voluntarily separate from county employment in conjunction with this program and receive the separation incentive are not eligible to be rehired (unless an exception is made) into regular county employment for a period of not less than six (6) months from the date of separation.
 - 1. An exception may be made if:
 - i. The separated employee chooses to apply for a position during an open county recruitment; and

- ii. Human Resources receives authorization from the hiring department head to participate in an open recruitment, consistent with County Merit System Rules.
 - 2. This section establishes that under the exception provision, the former employee may be considered for employment.
 - i. If hired, VSIP re-payment provisions will apply.
 - 3. This section does not guarantee or imply any “rights” to return to any county position.
 - 4. A return to extra-help employment is permitted, if the use, hiring of, and duration of employment is consistent with Merit System Rules.
 - 5. Former employees who return to perform work on an extra-help basis will not be subject to the VSIP repayment provisions.
 - 6. Exceptions will not be available to retired annuitants.
- k. Eligible employees will receive the incentive on a pro-rated basis according to the position allocation occupied, and the following schedule:
- .75 FTE – 1.00 FTE receive 100% of the corresponding incentive
 - .5 FTE - .74 FTE receive 75% of the corresponding incentive
 - .49 FTE and below are not eligible for the VSIP
- l. Employees in approved classifications or positions are NOT eligible for the VSIP under the following conditions:
- 1. Have received decision notice of termination for misconduct or poor performance within the VSIP effective dates (October 1, 2025 – March 30, 2026), or which results in an involuntary separation during the effective period.
 - 2. Are currently employed in a position allocation of less than .5 FTE.

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 a release of any claims against the county.
- 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 date windows as outlined in the following table:

Employees with 10 years or more of service to the County of Humboldt as of June 30, 2025:

- (Oct. 1, 2025 – Oct. 31, 2025), will receive an incentive payment of \$20,000,
- (Nov. 1, 2025 – Nov. 30, 2025), will receive an incentive payment of \$17,000,
- (Dec. 1, 2025 – Dec. 31, 2025), will receive an incentive payment of \$15,000,
- (Jan. 1, 2026 – Jan. 31, 2026), will receive an incentive payment of \$13,000,
- (Feb. 1, 2026 – Feb. 28, 2026), will receive an incentive payment of \$12,000,
- (Mar. 1, 2026 – Mar. 30, 2026), will receive an incentive payment of \$10,000,

Employees with fewer than 10 years of county service as of June 30, 2025:

- (Oct. 1, 2025 – Oct. 31, 2025), will receive an incentive payment of \$15,000,
- (Nov. 1, 2025 – Nov. 30, 2025), will receive an incentive payment of \$12,000,
- (Dec. 1, 2025 – Dec. 31, 2025), will receive an incentive payment of \$10,000,
- (Jan. 1, 2026 – Jan. 31, 2026), will receive an incentive payment of \$8,000,
- (Feb. 1, 2026 – Feb. 28, 2026), will receive an incentive payment of \$7,000,
- (Mar. 1, 2026 – Mar. 30, 2026), will receive an incentive payment of \$5,000.

(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 the maximum number of separation incentives per department to be authorized by department, budget unit, and/or classification.
- b. Department Heads will identify currently funded classification(s) that will remain vacant for the remainder of Fiscal Year (FY) 2025-26, FY 2026-27, and FY 2027-28, for each incentive paid.
 1. Savings for position(s) identified to remain vacant must equate to at least 90% of the annual cost of the position taking part in the VSIP.
 - i. Department Heads will be responsible to show an analysis of the costs and savings derived for their FY 2025-26 departmental budgets.

2. Departments may use up to 50% of the salary savings experienced from the VSIP, after funding the separation incentive payment, for extra help expenses to offset the reduction in staffing, with County Administrative Office approval.
 3. Savings experienced through the use of VSIPs will be considered in future years of reductions in General Fund allocations.
 - i. The Board of Supervisors reserves the right to deallocate any and all vacancies being held vacant as a result of this program, should economic conditions not improve in subsequent years.
 4. Department Heads will also 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.
 5. After the required period has elapsed, departments may request the Board approve filling the position.
- c. Received, authorized eligible letters of resignation shall be forwarded to Human Resources for tracking purposes.
1. Incentive payments will originate with the department.
- d. Departments will be responsible for notifying all employees in the eligible department of their VSIP eligibility and the number of VSIP incentives to be offered, and for establishing the first-come, first-serve order of approval for accepted VSIP resignations.
- e. VSIP incentives may not be withdrawn once approved by the Board of Supervisors and will remain in effect until the end of the VSIP effective dates.

5. **Process**

- a. The Board of Supervisors shall adopt by resolution the maximum number of VSIP incentives per department, budget unit, and/or classification.
- b. Departments will be responsible for notifying employees of their eligibility in the VSIP and distributing program information and forms by August 29, 2025. A consideration period for employees will follow.
- c. VSIP resignation forms may be received by departments beginning September 1, 2025 until September 30, 2025. Employees who are on leave or otherwise not able to submit their form on September 1 may submit their form in advance of September 1, 2025, however, any VSIP resignation letter received prior to September 1, 2025 will be considered by the department to have been received on September 1, 2025.

1. All resignations must be accepted in the order received, and departments are responsible for identifying and establishing the order of receipt.
2. Once the maximum number has been received, additional letters 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 approves, an amended maximum number for that classification before the end of the VSIP program period (March 30, 2026).
 - i. Departments will have the opportunity to amend the total number of positions eligible within a budget unit and/or classification for the VSIP during the program's duration, with Board approval.
- d. In the event that more eligible employees in an approved department apply for the VSIP than are authorized in the Board resolution, the number of designated incentives shall be awarded on a "first-come, first-served" basis.
 1. If two or more employees apply on the same day, the tie shall be broken by the use of seniority as determined by the Merit System Rules for layoff purposes, with the VSIP program/payment to be awarded to the most senior employee.

6. Term

Subject to approval by the Board of Supervisors, VSIP incentives will only be offered to eligible employees who submit their resignation letter prior to September 30, 2025. The effective date of resignation must be on or after October 1, 2025 and up to and including March 30, 2026.

7. Communication

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