

CAPS Counter Proposal

Bargaining Unit: 10

Date: July 28, 2021; 2:02PM

Exclusive Representative: CAPS

Article: 2

Subject: Salaries

2.12 Lump Sum Leave Cash Out Upon Separation

- A. To the extent permitted by federal and state law, employees who separate from State service who are otherwise eligible to cash out their leave balance, may ask the State to ~~tax defer~~ and transfer a designated ~~monthly~~ amount from their ~~cash payment~~ lump sum leave cash out election into their existing 457(b) and/or 401(k) plan offered through the State's Savings Plus Program (Savings Plus) (SPP).
- B. If an employee does not have an existing 457(b) and/or 401(k) plan account, ~~he/she~~ the employee must enroll in ~~the SPP~~ Savings Plus and become a participant in one or both plans prior to the ~~his/her~~ date of separation.
- C. Such transfers are subject to and contingent upon all statutes, laws, rules and regulations authorizing such transfers including those governing the amount of annual deferrals.
- D. Employees electing to make such a transfer (via traditional or Roth contribution) shall bear full tax liability, if any, for the leave transferred which exceeds the annual limits (e.g., "over defers").
- E. Implementation, continuation and administration of the Defined Contribution Plans is expressly subject to and contingent upon compliance with the SPP's Savings Plus governing Plan documents (which may, at the State's discretion, be amended from time to time), and applicable federal and state laws, rules and regulations.
- F. Disputes arising under this section of the MOU shall not be subject to the grievance and arbitration provision of this agreement.