



**EXECUTIVE ORDER
RETIREMENT INCENTIVE OPTION FOR MUNICIPAL
EMPLOYEES**

	EO No.	EO 1-54
	Effective Date:	Upon Approval

1. PREFACE

The purpose of this executive order is to provide a voluntary retirement incentive option for municipal employees, which would allow eligible employees to realize financial savings on their health benefits during the time period the option is available to the employees.

2. SCOPE

This executive order applies to all City departments. This order does not apply to classified employees.

3. DEFINITIONS

Eligible employee: Municipal Employee that is deemed eligible to retire as of May 1, 2025 under the Houston Municipal Employee Pension System guidelines and not Medicare eligible.

Irrevocable election: A voluntary, unretractable written notification of the employee’s desire to retire from employment with the City of Houston.

4. GENERAL PROVISIONS

4.1. Responsibilities

4.1.1. The Mayor shall be responsible for determining:

4.1.1.1. each time this option is available to municipal employees; and/or

4.1.1.2. the enrollment period for this option, if any.

4.1.2. The Human Resources (HR) Department shall be responsible for developing and implementing procedures for this retirement option.

4.1.3. Employees utilizing this option shall be responsible for verifying their retirement eligibility with the Houston Municipal Employees Pension System.

4.2. Requirements

4.2.1. The municipal employees utilizing this retirement option must:

4.2.1.1. be eligible to retire during the enrollment period,

4.2.1.2. no later than April 28, 2025, unless the Mayor extends this date, an employee wishing to elect the retirement incentive option, shall submit the Retirement Incentive Option separation form indicating their last day on the City’s payroll of May 1, 2025 and submit their Retirement Benefits Election Form(s) to the HR Department Benefits Division.

Approved:

DocuSigned by:

John Whitmire

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Date Approved:

3/13/2025

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4.2.2. HR shall delimit the incumbent's position from the department's operating budget, unless an exception is granted by the Mayor or the Mayor's designee.

4.2.3. Employees utilizing this option shall be allowed to retire and the City shall subsidize their benefits election(s) according to the health benefits subsidy chart in Section 6.

4.2.3.1. The Mayor has the discretion to revise the health benefits subsidy chart; however, the revisions would only apply to new applicants approved to participate.

4.2.4. Prior to entering the voluntary retirement option, an employee shall be required to submit a voluntary irrevocable election notifying the City of the employee's desire to retire from employment with the City of Houston.

5. CONFLICT AND REPEAL

5.1. This Executive Order supersedes Executive Order 1-54: Retirement Incentive Option for Municipal Employees, effective April 21, 2021, which shall be of no further force or effect.

6. RELATED DOCUMENTS AND INFORMATION

- Retirement Incentive Option Separation Form
- Retirement Option Benefits Election Form(s)

7. APPENDICES

- Health Benefits Subsidy Chart

HEALTH BENEFITS SUBSIDY CHART

Option Year	Health Benefits Subsidy
Year 1	Eligible employee shall pay 100% of the active employee monthly premium
Year 2	Eligible employee shall pay 100% of the active employee monthly premium
Year 3	Eligible employee shall pay 100% of the active employee monthly premium
Year 4	Eligible employee shall pay 100% of the active employee monthly premium
Year 5	Eligible employee shall pay 100% of the active employee monthly premium
Year 6 and each year thereafter	Eligible employee shall pay 100% of the retiree monthly premium

Note: The Mayor has the discretion to revise the health benefits subsidy chart each time this retirement option is made available to municipal employees.