



# Howard County

*Internal Memorandum*

SUBJECT: Council Testimony and Fiscal Impact Statement  
Retirement Incentive Program

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## **Background**

Council Resolution No. 75-2026 establishes the Fiscal Year 2027 Retirement Incentive Program outlining the terms and eligibility.

## **Program Description**

Howard County, like many State and local governments, is operating in an increasingly constrained fiscal environment marked by rising costs, ongoing economic uncertainty, and growing demand for essential public services. In response, the Administration has taken deliberate and measured steps to manage expenditures while preserving the County's ability to deliver high-quality services to residents. This legislation introduces a voluntary Retirement Incentive Program (the "Program") designed to help manage economic challenges through a prudent approach being considered by various governmental and private sector organizations.

The proposed Program provides a structured and voluntary tool to help navigate current and anticipated fiscal pressures. The incentive will be offered to Classified employees in the Howard County Retirement Plan who have reached the normal eligibility for retirement. Some positions have been excluded as outlined in the legislation. Employees who meet the Program requirements may be considered for a one-time incentive of \$20,000 plus \$300 for each year of service, up to 30 years. The maximum incentive is limited to \$29,000. No pension calculations, leave payouts, or health benefits are affected.

This legislation provides the framework necessary to implement the Program in a structured and fiscally responsible manner. The Program is subject to available funding, ensuring that the County retains the ability to manage both fiscal impact and operational needs.

**Fiscal Impact**

The FY27 Proposed Budget allocates \$3 million in PAYGO funds for upfront costs.