



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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July 7, 2025

TO: Agency Directors
Statewide Elected Officials
Presidents of Higher Education Institutions

FROM: K.D. Chapman-See
Director

SUBJECT: 2025-27 VOLUNTARY SEPARATION AND RETIREMENT INCENTIVE PROGRAM

Section 905 of the enacted 2025-27 operating budget (Chapter 424, Laws of 2025) authorizes a voluntary separation and retirement incentive program to give agencies the option to offer financial incentives to employees to voluntarily separate from state service through retirement or resignation. Here is the link to the [2025-27 Voluntary Separation and Retirement Program Guidelines](#).

Consistent with the guidelines set out in the last two biennia, the 2025-27 program is available to any state agency, including higher education institutions, to submit a plan for OFM approval. Agency plans must clearly outline how they will contribute to the objectives of the program, which are to reduce staffing costs and make more effective use of human resources.

If your agency wishes to participate, you must submit a voluntary separation and retirement incentive plan to OFM for prior approval. You must report to OFM and the Legislature on the outcomes or anticipated outcomes of your approved incentive plan two years after your plan is approved.

If you have any questions, please contact the staff listed in the guidelines.

cc: Dave Johnson, Staff Coordinator, House Appropriations Committee
Susan Brooks, Staff Coordinator, Senate Ways & Means Committee
Seth Miller, Retirement Readiness Director, Department of Retirement Systems
Michaela Doelman, State Human Resources Officer, OFM
Mia Navarro, Deputy Chief Cultural Officer, OFM
Robyn Williams, Director for Budget, OFM
Scott Hancock, Budget Advisor, OFM