

Dear IBM Manager:

Like many U.S. companies, a number of our employees with skills and knowledge critical to our success are at or nearing retirement eligibility. Because of this, IBM and IBMers need to think ahead. IBM needs insight into when employees may retire to better plan for that transition. At the same time, IBMers have been asking for ways to ease into retirement. They want to maintain a certain level of pay and benefits while reducing their hours so they can explore future options.

Until now, there hasn't been a way to address these issues.

That is why we are announcing a new approach called Transition to Retirement, a one-time, voluntary program designed to balance the needs of our retirement-eligible employees in the U.S. with the needs of our business.

Transition to Retirement is for IBMers who are at or near retirement eligibility in the U.S. The program offers participants 70 percent of their pay for working 60 percent of their schedule. They'll receive the same benefits they do today, most at a full-time level, including health benefits and 401(k) Plus Plan automatic company contributions. They'll also be exempt from any resource actions that may occur during the Transition to Retirement period. In return, all participants agree to retire on or before December 31, 2013.

For IBMers, it provides a way to ease into retirement, to scale back on IBM commitments and explore new opportunities. Financial planning and retirement resources.... including MoneySmart seminars, individual coaching sessions and other programs -- are available to help IBMers plan and decide if Transition to Retirement is right for them.

For managers, it provides a forecasting capability -- advance notice of when IBMers will retire, allowing time to retain key skills and knowledge, while maintaining commitments to clients and the business. This program is completely voluntary for IBMers, and as a manager, you have a say too. You can decline an employee's application based on established criteria driven by business need.

Tomorrow, we will inform eligible employees about this new program and we'll post a w3 story for all employees at that time. On May 2, we will hold a manager-only web briefing where more information will be provided and your role will be discussed.

Much more information, including eligibility requirements, start dates and application procedures -- including your ability to review and approve employee participation -- can be found on the Manager Portal. In addition, you can view a list of employees reporting to you who have been identified as eligible for this offer.

I know this will require you to think differently as you rebalance workloads, plan for skills transfers and transform work. I look forward to your leadership and support as we implement this program.