Voluntary Separation Incentive Program (VSIP) for FY20 FAQ

1. **What is the purpose of the VSIP?** To reduce university salary expense.

2. **Who is eligible for VSIP?** Eligible employees meet **ALL** of the following criteria.
   
   a. Must have ten (10) consecutive years or more of service in a benefit-eligible position based on the current hire date and counted through June 27, 2020.
   
   b. Must not have an accepted resignation from the university or made a retirement announcement (**FSH 3940**).
   
   c. Must not have entered into an agreement for Planned Retirement.
   
   d. Must not have agreed to separation under the Optional Retirement Incentive Program (ORIP).
   
   e. Is not subject to a “notice of contemplated action” or other similar notice with the potential for involuntary termination as of the date of application (this includes matters under appeal by the employee).
   
   f. Is not subject to a notice of nonrenewal (**FSH 3900 B**) as of the date of VSIP application.
   
   g. Is not a temporary, student or post-doctoral employee.
   
   h. Is not employed under a budget funding contingency – e.g. grant funding, service center funding, etc where the specific salary agreement or salary letter contains language allowing termination based on lack of funding source.

3. **What are the incentives for eligible employees?**
   
   a. A one-time payment of 33% of the employee’s FY20 budgeted salary from any source except:
      
      - ARES (includes Hatch, Smith-Lever, Multi-State Research, County Extension and State ARES funding).
      - FUR
      - IGS
      - WWAMI
      - WIMU-VetMed
   
   b. Calculation Examples
      
      - If an employee’s budgeted salary is $100,000 paid from General Education funds, the incentive payment is $33,000.
      
      - If an employee’s budgeted salary is $100,000 with $20,000 from General Education funds and $80,000 from ARES, the incentive payment is $6,600.
   
   c. Budgeted salary excludes overload, overtime, temporary responsibility increases, additional compensation, etc.
   
   d. Incentive payment to be made to employee within the first thirty (30) days of FY21.
   
   e. Incentive payment is subject to payroll taxes.
   
   f. No benefit deductions or matching contributions for ORP or PERSI; deductions can be made at the request of the employee for supplemental retirement accounts, 403b and 457b subject to governing regulations.
   
   g. Health insurance per policy for separating employees (**FSH 3730**).
h. Leave balance payout per policy for separating employees (FSH 3710).
i. Access to PERSI or ORP program retirement funds per current plan rules.

4. What is the VSIP application process?
   a. Interested employees must apply for participation in the VSIP by December 13, 2019.
   b. The university will review applications and give written notice to employees who qualify for participation in the VSIP by December 20, 2019.
   a. Employee has forty-five (45) days to consider and accept/sign the formal VSIP offer.
   b. Acceptance by the employee must include signing the separation agreement and delivering it to the university by February 4, 2020, unless the seven-day rescission clause is applicable, in which case the deadline is February 11, 2020.
   c. Notice to employee will include a formal separation agreement for the employee to consider and sign upon acceptance.
   d. The university’s notice to employee will be considered an offer by the university to accept employee’s resignation under the terms of the VSIP.
   e. Once the offer is accepted by the employee, the last day of employment must be no later than June 26, 2020.
   f. Once the offer is accepted, the employee may resign at any time prior to June 26, 2020 (the incentive payment will remain in effect but will not be rescheduled).
   g. Employees over 40 years of age as of the date of acceptance of the offer will have seven days to rescind their acceptance (29 USC 626(f)(1)(G)).
   h. Once the offer is accepted and, where applicable, the seven-day rescission period has passed, the decision is irrevocable.
   i. If signed agreement is not returned to the university by the deadline, the offer will be withdrawn.
   j. Employees accepting the VSIP offer will not be eligible for an FY21 salary adjustment.
   k. Employees remain subject to university policies and any corresponding employment action through the last day of employment.
   l. Employees separating under the VSIP will not be re-employed with the university in the same job any time prior to the end of FY21.