



## UW-Stevens Point – Voluntary Separation Incentive Program

The purpose of the Voluntary Separation Incentive Policy (VSIP) is to implement limited-time early separation incentives to selected UW-Stevens Point employees, as authorized by the Chancellor, and in order to achieve the following specific institutional objectives:

1. Reducing salary/wage and benefit costs in anticipation of significant funding challenges.
2. Redirecting positions to focus on priorities, changing needs or strategic objectives of the university.
3. Achieving other cost savings or efficiencies.
4. Minimizing potential involuntary terminations.

**It is important to note that VSIP** is not an entitlement or benefit, but rather intended to supplement the range of budget management options available to the university. Approved applications must achieve the above institutional objectives. Not every individual application will be approved.

The Chancellor has sole discretion over whether to offer a VSIP and over which positions will be eligible in any given VSIP offering. Nothing in this program shall be construed to create an employee right or entitlement to a separation incentive.

### A. Eligibility for Participation

**UW Stevens Point active employees who, at the start of the program, April 2, 2015, meet all three of the following criteria, will be invited to participate:**

1. Are currently appointed as a faculty member, academic staff member with an indefinite, rolling horizon or fixed-term renewable contract, unclassified limited appointee or classified permanent staff member.
2. Are at least 55 years of age prior to July 1, 2015, are vested with the Wisconsin Retirement System (WRS) as of July 1, 2015 and are eligible to receive an annuity under the Wisconsin Retirement System (WRS).
3. Have at least five years of service with UW-Stevens Point on or before July 1, 2015.

### B. Ineligibility for Participation

**The following UW Stevens Point employees will be ineligible to participate:**

1. Employees who have previously given written notice of intent to retire or resign prior to the start date of this program, April 2, 2015 are not eligible to participate in the VSIP.

- 2 Student employees, rehired annuitants, classified LTEs, classified project appointment, classified staff on an original probationary period, or academic staff on fixed-term no-intent-to renew contracts are not eligible to participate in the VSIP.

### **C. Decision Making**

1. All employees meeting the above eligibility criteria will be invited to apply for consideration for participation in the VSIP.
2. Employees will submit completed applications for consideration in the VSIP no later than April 20, 2015.
3. Campus Deans and Vice Chancellors will evaluate applications received in relation to VSIP objectives listed above and make recommendations to the Chancellor.
4. The Chancellor's final decisions will be communicated to applicants no later than May 15, 2015.
5. There is no expectation that all VSIP applications will be approved.

### **D. Separation Options for Participants**

1. A one-time separation payment, which will be calculated to be equal to 50 percent of the employee's April 2, 2015 base salary. Base salary will be based on total appointment FTE percentage and will not include overload, overtime, winterim, summer payments, increase due to an interim assignment or any other payments above base salary.
2. An employee is able to have the one-time separation payment distributed by any one, or combination of the following methods. No combination of methods selected will exceed the 50 percent base salary calculation:
  - a. A lump sum payment.
  - b. A contribution to an employee's Health Savings Account, 403(b), 457, Wisconsin Retirement System account, or similar plan that may be available to participants at the time of the separation payment.
  - c. An Employee Trust Funds WRS Actuarial Reduction Program payment towards WRS years of service (for employees who are eligible for a retirement annuity involving an age reduction factor). If this method is selected, in whole or in part, the actual cost of this method will be subtracted from the total separation payment and UW Stevens Point will remit the amount due to ETF upon billing from ETF.
3. The employee is responsible for consulting with his or her tax advisors as to potential tax consequences of choice of separation method.

## **E. Conditions**

1. Voluntary SIP participants will not be eligible to be employed by UW-Stevens Point for 2 years from date of separation unless authorized by the Chancellor because of exigent circumstances (must comply with E4. below). Date of separation is the last active day on the UW-Stevens Point payroll.
2. Effective dates of separations will be between 7/3/2015 and 1/31/2016 and determined by the Chancellor.
3. Accepted applicants will receive a payout of all accrued leave at the time of the Voluntary SIP separation date (i.e. vacation, ALRA, personal holiday).
4. Accepted applicants must adhere to WRS valid termination requirements under Wisconsin Administrative Code ETF 10.08 and break in service regulations per Wis. State. 40.26(5).
5. Accepted applicants must voluntarily accept and sign a Separation Agreement that contains a release of all employment rights and claims.

(Note: this policy was developed with direction from UW System Human Resources, UW System Legal and in consultation with the shared governance groups at the university)