

# University of Kansas – Lawrence and Edwards Campus Voluntary Separation Incentive Program for Faculty Retirement (VSIP) Guidelines

**August 6, 2018**

## **Introduction**

The University of Kansas - Lawrence and Edwards Campus (“KU”) continues to face economic uncertainty and state budget constraints. At the same time our strategic plan presents us with some dramatic opportunities for new investment and growth. In order to help respond to the challenges as well as the opportunities, KU has adopted the Voluntary Separation Incentive Program (“VSIP”), effective August 6, 2018, for qualified faculty who are retirement eligible under the University’s policies. The VSIP is designed to provide eligible KU faculty who voluntarily elect, and are approved, to separate employment from KU on the VSIP retirement dates of May 31, 2019; June 30, 2019; December 31, 2019; May 31, 2020; or June 30, 2020, with the separation benefits described in this program document. The VSIP is intended to prioritize funding for investment in the strategic goals and strategies identified by the KU community. The VSIP is intended primarily for eligible faculty in state-funded positions. However, KU may also consider eligible faculty in positions funded from other sources if doing so meets KU’s strategic goals.

## **Description**

The opportunity for faculty to apply for participation in the VSIP is limited. The application period begins on August 6, 2018, and ends on October 5, 2018. Approved faculty will be required to separate (retire) from KU on one of five time periods during the VSIP retirement window described in the table below (“Retirement Date”). Approved faculty will be required to sign a Separation Agreement with a release of claims, described later in this document, in order to receive the VSIP incentive payment. Additional information can be reviewed online at <http://provost.ku.edu/vsip>.

In general, each faculty member who separates from KU in accordance with the VSIP will receive a lump-sum cash payment equal to the faculty member’s annual base salary as of October 5, 2018, less required payroll deductions. Deductions include applicable federal and state taxes and any other legally required deductions. Base salary is the annual budgeted salary for the faculty member not including summer sessions, overloads, or other one-time payments; endowed or distinguished professor supplements; research or external funding; endowment income; or any other administrative payments.

<b>Retirement Date</b>	<b>Incentive Payment Percentage</b>
<b>May 31, 2019</b>	100%
<b>June 30, 2019</b>	100%
<b>December 31, 2019</b>	85%
<b>May 31, 2020</b>	70%
<b>June 30, 2020</b>	70%

This document shall serve as the program document governing the terms of the VSIP. Eligibility and payments for the VSIP are governed by the terms of this document. Please refer to this document for information concerning any rights and obligations you may have under the VSIP.

The VSIP is not an entitlement and any approvals under the VSIP must be consistent with the needs of KU. A fundamental requirement of the VSIP is that any approvals to participate in the VSIP must result in a benefit to the KU community, such as a significant cost savings as determined by the school and campus administration. Therefore, not every eligible faculty member's application to participate in the VSIP will necessarily be approved.

The University of Kansas is enforcing a six-month waiting period for rehiring of participants of this VSIP program. There are other important stipulations of rehire of retirees that would also apply after the six-month period and are outlined within the University's Retiree Rehire policy (<http://policy.ku.edu/provost/retiree-rehire-policy>).

## **1. Voluntary Program**

Each eligible faculty member is encouraged to consider the program and determine whether it is the right opportunity. No one can require eligible faculty members to apply for the VSIP or prohibit them from doing so. Submitting an application to participate in the VSIP shall be on a voluntary basis for all eligible faculty. The VSIP application does not in any way change one's current employment relationship with KU nor may be used in retaliation in respect to future terms and conditions of employment.

## **2. Eligibility**

The VSIP is available only to eligible KU-Lawrence and Edwards Campus tenured and tenure track faculty who:

- 1) Are 62 years of age or older at the Date of Separation (retirement);
- 2) Have completed at least ten (10) years of service in a benefits-eligible position at a Kansas Board of Regents institution or with the Board of Regents office at the Date of Separation; and
- 3) Are not otherwise ineligible, as set forth below.

Eligibility will be determined by the KU [Department of Human Resource Management](#).

Funding of VSIP will be provided to departments for positions presently base budgeted and funded by state funds. Central funding will not be provided for positions funded by research grants, self-funded budgets, endowment income and federal funds, or for any other external funding. It is anticipated that positions will remain vacant for a period of time long enough to provide shrinkage to cover the entire amount of the VSIP. Should a department receive permission to fill the position prior to that time, the department will be responsible to cover the cost of the VSIP.

## **3. Ineligibility**

The following employee groups are ineligible:

- 1) Faculty already on a phased-retirement agreement,
- 2) Current KU retirees who have been rehired at KU,
- 3) Faculty on approved long-term disability.

#### **4. VSIP Application Procedure**

The application period for the VSIP begins on August 6, 2018, and ends on October 5, 2018. Applications submitted later than 5:00 pm CST on October 5, 2018, will not be considered. To apply for the VSIP, an eligible faculty member must complete and submit a VSIP Notice of Interest application form, available at <http://provost.ku.edu/vsip>.

A draft of the Separation Agreement is available at <http://provost.ku.edu/vsip>. In order to receive the VSIP benefits, employees will be required to execute the Separation Agreement. By signing the Separation Agreement, employees are giving up their right to sue the University as defined in the Separation Agreement.

VSIP Notice of Interest application forms must be hand-delivered to the Provost Office, Attn: Stacey Rinnert, 250 Strong Hall, University of Kansas, 1450 Jayhawk Blvd., Lawrence, KS 66045-7518 no later than 5:00 p.m. CST on October 5, 2018, or mailed to the same address via U.S. Postal Service postmarked (required) no later than October 5, 2018. VSIP Notice of Interest application forms sent by any other delivery method will not be accepted.

The Notice of Interest application form indicates the employee desires to voluntarily separate employment with KU effective on one of the five dates of separation (retirement) in exchange for the VSIP payment and other consideration described herein. The Provost Office will acknowledge receipt of the Notice of Interest application forms via email.

The Notice of Interest application form may be withdrawn any time prior to submitting an executed Notice of Retirement described below. To withdraw the Notice of Interest application form, the applicant must complete the Withdrawal Form available at <http://provost.ku.edu/vsip> and submit it via email to [vsip@ku.edu](mailto:vsip@ku.edu). The Withdrawal Form can also be hand-delivered to the Provost Office, Attn: Stacey Rinnert, 250 Strong Hall, University of Kansas, 1450 Jayhawk Blvd., Lawrence, KS 66045-7518.

VSIP applicants will be notified in writing whether an application has been approved or denied on or before November 2, 2018. If approved, notification will include instructions on where to acquire the Notice of Retirement form and Separation Agreement.

Applicants who have questions regarding the amount they are eligible to receive as a VSIP Incentive Payment, should request that information via email to [vsip@ku.edu](mailto:vsip@ku.edu).

#### **5. Notice of Retirement**

If a VSIP Application is approved, the faculty member will receive an individual Notice of Retirement form for review and signature. The signed Notice of Retirement form must be hand-delivered or mailed via U.S. Postal Service to the Provost Office no later than 5:00 p.m. CST on November 21, 2018, or the application will be automatically withdrawn. Notice of Retirement forms submitted by mail must be postmarked on or before November 21, 2018.

The signed Notice of Retirement form must be hand-delivered or mailed via U.S. Postal Service to the Provost Office, Attn: Stacey Rinnert, 250 Strong Hall, University of Kansas, 1450 Jayhawk Blvd., Lawrence, KS 66045-7518.

The faculty member may not revoke a signed Notice of Retirement form once it has been received.

## 6. Timeline

The VSIP timeline is summarized below.

August 6, 2018	VSIP announced
October 5, 2018	VSIP application deadline (5 p.m.)
November 2, 2018	Faculty notified whether their applications have been accepted and, if approved, receive Notice of Retirement form and Separation Agreement (without signature block) via email and mail
November 21, 2018	Faculty return signed VSIP Notice of Retirement form
3 months prior to retirement date	Faculty will receive Separation Agreement document (with signature block) via email and mail

Please be aware that it may take several weeks after your retirement and the execution of the Separation Agreement before the VSIP payment processes.

## 7. VSIP Selection Criteria

While it is the intention of KU to allow as many eligible faculty as possible to participate in the VSIP, KU reserves the right to limit the total number of participants in order to preserve the viability of programs and services and the integrity of financial resources.

Decisions to fund a voluntary separation package is made by the Chancellor and the Provost with recommendation from the Dean based upon the following criteria:

- 1) Meets VSIP eligibility requirements.
- 2) Unit's operational and accreditation needs are served. The separation must not hinder the unit's current ability to achieve its strategic and organizational mission. The Dean/Provost/Chancellor may limit the number of individuals approved in any one unit.
- 3) The needs and best interests of the university community are served.

## 8. VSIP Incentive Payment

VSIP approved participants which have not exercised a request to revoke a Separation Agreement will receive a lump-sum cash payment based upon a percentage of base salary dependent upon the date of separation chosen by them. Base salary is defined either as (i) academic-year salary for those budgeted on a less than 12 month schedule; or (ii) fiscal-year salary for those budgeted as 12 months as of October 5, 2018, less required deductions. The base salary is the academic-year or 12-month salary in effect at October 5, 2018, and does not include any other payments such as summer sessions, overloads or other one-time payments; endowed or distinguished professor supplements; endowment income;

research grants; or any other administrative or external funding. VSIP approved participants will not be eligible for future merit increases.

The Incentive Payment shall be made based on the payroll period in which the Retirement Date falls and paid according to the payroll calendar established by the State of Kansas.

Faculty who wish to confirm the amount of their VSIP payment should e-mail [vsip@ku.edu](mailto:vsip@ku.edu)

## **9. Maximum Payment**

The lump sum cash payment described above is the maximum VSIP payment made upon approval of the faculty member's application for voluntary separation. The VSIP payment available may be coordinated with and reduced by the amount of any benefits related to any temporary-total, temporary-partial or similar benefits based on a worker's compensation claim to the fullest extent permitted by law.

## **10. Retirement Status**

The KU process for approving emeritus status and associated privileges will be followed for all VSIP approved retirees. Such policy is available at <https://documents.ku.edu/policies/provost/EmeritusStatus.htm>

## **11. Other Benefits at Retirement**

Faculty accepting a VSIP Retirement will be eligible for benefits KU provides to retirees. Those approved for the VSIP who do not sign the Separation Agreement will not receive the incentive payment BUT will still have to retire. All retirees are eligible for the benefits discussed at <http://humanresources.ku.edu/benefits-retirement>. Compensable accrued sick and/or vacation leave payments due to an employee at the time of separation and other retirement benefits will be administered in accordance with established University policies, plans, and procedures. Retirees will receive a payment for those compensable payments regardless of whether they execute the Separation Agreement.

## **12. Forfeiture of Tenure and Notice Rights**

Tenured faculty relinquish their indefinite tenure status upon their voluntary Date of Separation.

## **13. Information to be Furnished**

Upon request, faculty who apply for participation in the VSIP shall furnish to KU such documents, data or other information as KU considers necessary for the purpose of administering the VSIP.

## **14. Separation Agreement with Waiver and Release**

If a VSIP Application is approved and a signed Notice of Retirement form is received, the faculty member will receive an individual Separation Agreement for review and signature. The signed Separation Agreement must be signed **on or after the date of separation** they chose, or they will not receive their incentive payment.

Separation Agreements must be hand-delivered or mailed via U.S. Postal Service to the Provost Office, Attn: Stacey Rinnert, 250 Strong Hall, University of Kansas, 1450 Jayhawk Blvd., Lawrence, KS 66045-7518.

By signing the Separation Agreement, you will release all claims and agree not to sue the University of Kansas, the Board of Regents and the State of Kansas for claims as defined in the Separation Agreement. This Separation Agreement will cover any claims arising under federal, state and local laws, including, but not limited to the Age Discrimination in Employment Act.

The Separation Agreement does not apply to rights or claims that arise after a faculty member retires and signs the Separation Agreement. Faculty members will also be provided with information on the group of individuals covered by the program, the eligibility factors considered, the time periods involved in the program, and a list of all job titles and ages of faculty eligible and selected for the program and the job titles and ages of all faculty eligible and not selected.

The faculty member may revoke a submitted Separation Agreement on or within seven (7) calendar days of the date on which the agreement is executed. Revocation of the submitted Separation Agreement will constitute automatic withdrawal of the faculty member's application for payment in the VSIP. **Retirement of the faculty member will still occur.** Revocation of the Separation Agreement must be clearly stated in writing and signed by the faculty member.

Revocations must be hand-delivered or mailed via U.S. Postal Service to the Provost Office, Attn: Stacey Rinnert, 250 Strong Hall, University of Kansas, 1450 Jayhawk Blvd., Lawrence, KS 66045-7518.

Revocations sent by any other delivery method will not be accepted. All revocations must be postmarked as outlined above in order to be accepted.

If the faculty member does not revoke the submitted Separation Agreement on or within seven (7) calendar days of the date the Agreement is executed, the faculty member's incentive payment will be made in accordance with the VSIP and the Separation Agreement. Those who are selected to participate in the VSIP and sign the required paperwork are encouraged to return the Separation Agreement on the applicable retirement date.

Signing the Separation Agreement before your actual retirement date may require you to re-execute agreement after you retire. Failing to timely submit the signed agreement may cause the VSIP payment to be delayed.

## **15. Recommendation of Attorney Review**

Pursuant to the Older Workers' Benefit Protection Act of 1990 and the Age Discrimination in Employment Act, eligible faculty are advised to contact an attorney of their own choosing at their own expense to discuss the VSIP and to review documents provided as part of the program. Participants are also encouraged to consult a tax advisor of their own choosing if they so desire.

## **16. Recovery of VSIP Payments Made in Error**

An eligible employee shall return to KU the VSIP payment or other consideration, or portion thereof, made by a mistake of fact or law or paid contrary to terms of the VSIP.

## **17. VSIP Beneficiary Payments**

The Separation Agreement will provide for a beneficiary designation. If a faculty member dies after the Date of Separation but prior to receiving the VSIP payment, the entire VSIP payment will be made to the beneficiary.

## **18. Representations Contrary to the VSIP**

No employee, officer, director or agent of the University has the authority to alter, vary or modify the terms of the VSIP, except by means of an authorized written amendment to the VSIP approved by the Vice Provost for Faculty Development. No verbal or written representations contrary to the terms of the VSIP and its written amendments shall be binding upon the University.

## **19. No Employment Rights or Contract**

The VSIP shall not confer employment rights upon any person. No person shall be entitled by virtue of the VSIP to remain employed by or to be rehired by KU.

If a complaint is filed with the Provost for termination of the faculty prior to the VSIP Date of Separation, the VSIP payment is suspended until the complaint is fully resolved. If termination is approved, no VSIP payment will be made.

## **20. Applicable Law**

The VSIP shall be governed and construed in accordance with the laws of the State of Kansas, without reference to its conflicts of law provisions.

## **21. Severability**

If any provision of the VSIP is found, held, or deemed by a court of competent jurisdiction to be void, unlawful, or unenforceable under any applicable statute or other controlling law, all of the remaining provisions of the VSIP shall continue in full force and effect.

## **22. Nondiscrimination Statement**

The University of Kansas prohibits discrimination on the basis of race, color, ethnicity, religion, sex, national origin, age, ancestry, disability, status as a veteran, sexual orientation, marital status, parental status, gender identity, gender expression, and genetic information in the University's programs and activities. Retaliation is also prohibited by university policy. The following persons have been designated to handle inquiries regarding the non-discrimination policies and are Title IX coordinators for their respective campuses: Executive Director of the Office of Institutional Opportunity & Access. [IOA@ku.edu](mailto:IOA@ku.edu). Carruth-O'Leary Room 153, 1246 West Campus Road, Lawrence, KS 66045. 785-864-6414. 711 TTY (for the Lawrence, Edwards, Parsons, Yoder and Topeka campuses).

These Guidelines are in accordance with Titles VI and VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the Age Discrimination Act of 1975, the Age Discrimination in Employment Act of 1967, Executive Order 11246, Title IX of the Education Amendments of 1972, Sections 503 and 504 of the Rehabilitation Act of 1973, the Jobs for Veterans Act of 2002, the Kansas Acts Against

Discrimination, and all other applicable civil rights and nondiscrimination statutes. Inquiries regarding compliance with these statutes may be directed to the Office of Institutional Opportunity & Access.

**23. Program Conclusion**

The VSIP will terminate when all payments described herein have been provided to all approved faculty who submit and do not later revoke properly executed Separation Agreements.

**24. Questions Regarding the VSIP**

Questions or concerns may be directed to the Provost Office, Attn: Stacey Rinnert, University of Kansas, 250 Strong Hall, 1450 Jayhawk Blvd., Lawrence, KS 66045-7518, or by email at [vsip@ku.edu](mailto:vsip@ku.edu). The Chancellor shall have the discretionary authority to determine eligibility for the VSIP payment and other consideration and to construe the terms of the VSIP, including the making of factual determinations. The decisions of the Chancellor shall be final and conclusive with respect to all questions concerning the administration of the VSIP.

**25. Disputes Regarding the VSIP**

Decisions made by the Chancellor and the Provost are final and not subject to review within the University or are eligible for appeal.