

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

June 8, 2020

Introduction

The University of Kansas - Lawrence and Edwards Campus (“KU”) is currently facing a challenging financial situation, which requires implementing a wide variety of measures to manage the ongoing fiscal health of the University. Consequently, KU has adopted the Voluntary Separation Incentive Program (“VSIP”), effective June 8, 2020, for employees who are retirement eligible under the VSIP guidelines. The VSIP is designed to provide eligible employees who voluntarily elect to, and are approved to, separate employment from KU with a VSIP retirement date of December 31, 2020, with the separation benefits described in this program document. The VSIP is intended primarily for eligible employees in state-funded positions. However, KU may also consider eligible employees in positions funded from other sources, such as restricted fees, if doing so meets KU’s strategic goals. Each application will be reviewed individually. The intention is to allow as many eligible faculty and staff as possible to participate, but each approval will be granted based on the best interest of the University community. Applying and being approved for the VSIP does not exempt that individual from the possibility of being impacted by other cost-saving measures that may still need to be enacted.

Description

The opportunity for eligible employees to apply for participation in the VSIP is limited. The application period begins on Monday, June 8, 2020, and ends on Friday, July 10, 2020 5:00 pm CST. Approved employees will be required to separate (retire) from KU on December 31, 2020 (“Retirement Date”). Approved employees 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/2020-vsip>.

In general, each eligible employee who separates from KU in accordance with the VSIP will receive a lump-sum cash payment of \$100,000 or an amount equal to their FY 2021 budgeted base salary, whichever is lower, minus 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 employee not including faculty payments for summer sessions, overloads, or other one-time payments; endowed or distinguished professor supplements; research or external funding; endowment income; or any other administrative payments.

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 their unit

and campus administration. Therefore, not every eligible employee's application to participate in the VSIP will necessarily be approved.

The University of Kansas is enforcing a twelve-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 twelve-month period (and to rehires under the waiting period exception above), which are outlined within the University's Retiree Rehire policy (<http://policy.ku.edu/provost/retiree-rehire-policy>), and the [KPERs Working After Retirement](#) provisions.

1. Voluntary Program

Each eligible employee is encouraged to consider the program and determine whether it is the right opportunity. No one can require eligible employees 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 employees. 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 Faculty and Staff who are active participants in the KBOR Mandatory retirement plan 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 KU **or** a State of Kansas agency at the Date of Separation; and
- 3) Are not otherwise ineligible, as set forth below.

KU-Lawrence and Edwards Campus Staff who are active participants in the KPERs or KP&F Retirement Plans who:

- 1) Have 85 points under KPERs **or** meets KP&F retirement eligibility **or** are 62 years of age or older at the Date of Separation and meet KPERs retirement eligibility;
- 2) Have completed at least ten (10) years of service in a benefits-eligible position at KU **or** a State of Kansas agency 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

- 1) Employees who already have an active phased-retirement agreement or are scheduled to begin phased-retirement at a future date,

- 2) Employees who have already announced intention to retire and their unit has acknowledged,
- 3) Employees whose positions are funded entirely (100%) through grants,
- 4) Current KU retirees who have been rehired at KU,
- 5) Employees on approved long-term disability or who are in the waiting period,
- 6) Employees with an identified or projected Date of Separation with KU, and
- 7) Any employees who were on Sabbatical in 2020 or will be on Sabbatical leave for Fall 2020, unless revoked.

4. VSIP Application Procedure

The application period for the VSIP begins on June 8, 2020, and ends on July 10, 2020. Applications submitted later than 5:00 pm CST on July 10, 2020, will not be considered. To apply for the VSIP, an eligible employee must complete and submit a VSIP Notice of Interest application form, available at <http://provost.ku.edu/2020-vsip>.

A draft of the Separation Agreement is available at <http://provost.ku.edu/2020-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.

The VSIP Notice of Interest application form is behind KU's secure Single Sign-on and must be completed and submitted electronically no later than 5:00 p.m. CST on Friday, July 10, 2020. 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 (retire) with KU effective on December 31, 2020, 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 and electronically submit the online Withdrawal Form available at <http://provost.ku.edu/2020-vsip>.

VSIP applicants will be notified electronically whether an application has been approved or denied on or before July 27, 2020. If approved, notification will include instructions on how to execute the Notice of Retirement form and the 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.

5. Notice of Retirement

If a VSIP Application is approved, the employee will receive a Notice of Retirement form for signature via email. The completed Notice of Retirement form must be submitted via email no later than 5:00 p.m. CST on August 14, 2020, or the application will be automatically withdrawn.

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

6. Timeline

The VSIP timeline is summarized below.

June 8, 2020	VSIP announced
July 10, 2020, by 5 p.m.	VSIP application deadline
July 27, 2020	Employee notified whether their applications have been accepted and, if approved, receive Notice of Retirement form and Separation Agreement (without signature block) via email
Aug. 14, 2020, by 5 p.m.	Employee completes and submits the online VSIP Notice of Retirement form via email to vsip@ku.edu
Aug. 24, 2020	Employee receives electronic Separation Agreement document (with signature block) via email
Aug. 24, 2020, to Dec. 31, 2020	Includes mandatory 45-day review period
Dec. 31, 2020	Date of separation (retirement); Signed and notarized Separation Agreement is due on or after December 31, 2020

Please be aware that it may take several weeks after your retirement and the execution of the Separation Agreement before the VSIP payment processes. You will be notified of the exact date your payment will be received once the Separation Agreement is executed.

7. VSIP Selection Criteria

While it is the intention of KU to allow as many eligible employees 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 are made by the Chancellor and the Provost with recommendation from unit heads, based upon the following criteria:

- 1) Meets VSIP eligibility requirements.
- 2) Unit's operational and accreditation needs are served. The 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 who have not exercised a request to revoke a Separation Agreement will receive a lump-sum cash payment of \$100,000 or their FY 2021 budgeted base salary, whichever is lower, minus required deductions. 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 in the FY 2021 budget, less required deductions. The VSIP payment does not include any other payments such as faculty payments for 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.

Employees who wish to confirm the amount of their VSIP payment should e-mail vsip@ku.edu

9. Maximum Payment

The lump sum cash payment described above is the maximum VSIP payment made upon approval of the employee'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

Employees 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 in accordance with the employee's signed and submitted Notice of Retirement. 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, employees 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 employee will receive an individual Separation Agreement for review and signature. The signed Separation Agreement must be signed **on or after December 31, 2020**, or they will not receive their incentive payment.

Separation Agreements must be signed, notarized and emailed to vsip@ku.edu.

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 an employee retires and signs the Separation Agreement. Employees 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 the eligible and selected for the program and the job titles and ages of all the eligible and not selected.

The employee 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 employee's application for payment in the VSIP. **Retirement of the employee will still occur as a signed Notice of Retirement form may not be revoked once it has been received.** Revocation of the Separation Agreement must be clearly stated in writing and signed by the employee.

Revocations must be emailed to vsip@ku.edu.

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

If the employee does not revoke the submitted Separation Agreement on or within seven (7) calendar days of the date the Agreement is executed, the employee'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-sign 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 employees 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 an employee 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 Provost. 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 employee 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. 1082 Dole Human Development Center, 1000 Sunnyside Avenue, 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 in these Guidelines have been provided to all approved employees who submit and do not later revoke properly executed Separation Agreements.

24. Questions Regarding the VSIP

Questions or concerns may be directed by email at vsip@ku.edu. The Chancellor shall have the sole 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.