I. PURPOSE

The purpose of this Voluntary Separation Incentive Program (VSIP) is to implement a limited time incentive to eligible NDSU employees in order to achieve specific institutional objectives. These objectives include:

A. Reducing salary, wage and benefit costs.
B. Increase efficiencies and/or reduce expenses.
C. Redirecting the allocation and appointment of positions at the University to maximize the University’s ability to fulfill its mission on a continuing basis in the future.

Participation in the program is voluntary for both the University and the employee. Employees are not guaranteed participation in the plan, and the decision to approve an applicant is entirely at the discretion of NDSU.

NDSU anticipates approving as many applications as possible. The University has discretion to deny any application, including but not limited to, preserving the vitality of the affected programs and services, as well as the integrity of financial resources.

II. ELIGIBILITY CRITERIA AND LIMITATIONS

The VSIP is not an entitlement. It is intended to be a tool for NDSU to achieve the purposes referenced in Section I.

All employees who meet the minimum eligibility requirements are invited to apply; however, not every applicant meeting the minimum requirements and submitting an application will be approved. Certain divisions/colleges/departments may determine that they cannot recommend an applicant for approval based on budgetary and programmatic demands. The appropriate administrators may be consulted by the VSIP Campus Committee.

The decision to apply for participation in the program by any eligible employee is strictly voluntary on the part of the employee.

A. Eligibility Requirements and Limitations

Applicants meeting all of the following criteria are eligible to apply:

1. The applicant must be a benefited employee currently employed at NDSU.
2. The applicant meets the Rule of 65, which is calculated as the sum of the employee’s age and total years of benefited employment in the North Dakota University System (NDUS) (e.g. 55 years old with 10 years of benefited employment).

3. Grants and contracts funding cannot be used for any incentive payments.

4. The applicant must be in good standing with no current disciplinary letters or corrective action, performance improvement or other similar plans in place.

5. The applicant must meet the eligibility criteria as of December 13, 2019.

6. The applicant must review and acknowledge the VSIP Program Guidelines and submit an Application for participation by December 13, 2019.

B. Exclusions

The following employees are NOT eligible for participation, even if they meet the criteria in Section A above:

1. Employees who have given written notice of their intent to retire or resign prior to October 14, 2019;

2. Employees who have participated or are participating in a Phased Retirement Program;

3. Employees who are rehired retirees;

4. Part-time, non-benefited employees, including part-time or adjunct faculty, graduate students and hourly employees;

5. Non-tenured faculty hired on a year-to-year contract (special appointments);

6. Employees who have previously entered into an agreement with a predetermined employment end date;

7. Employees who have accepted other employment prior to accepting a voluntary separation;

8. Employees who have resigned prior to the program implementation and whose resignations have been accepted;

9. Any employee who has received notice of termination, notice of non-renewal or cancellation of employment contract.

C. Application Procedure and Review

1. Review VSIP criteria for eligibility. If you have questions regarding your eligibility, please contact the NDSU Office of Human Resources by email at john.woolsey@ndsu.edu. Please note: the NDSU Office of Human Resources is the only official source of information/interpretation for this program. Any questions received will be responded to in writing by a representative of the NDSU Office of Human Resources.

2. Applications must be submitted through Docusign. Access to the Application form is available at: https://na3.docusign.net/Member/PowerFormSigning.aspx?PowerFormId=887e5d95-3969-47b6-a02a-d7aff824bda4&env=na3-eu1 . A link to the application can also be found at: https://www.ndsu.edu/hr/empltoolbox/voluntary

Applications are encouraged as early as possible with the final deadline for consideration being no later than 5:00 p.m. CDT on December 13, 2019.

3. The NDSU Office of Human Resources will assure accuracy, completeness and verify eligibility for each application. After the application has been received, the application will go to the VSIP Campus Committee. The VSIP Campus Committee will evaluate and consult with
the Head/Chair/Director/Dean/Vice President/Provost, if necessary, based on the objectives of the VSIP.

4. **Applicants will receive an email acknowledgement from Docusign when a final decision has been made.**

5. Conditionally approved applicants will be provided with a separation agreement for their review. Conditionally approved applicants will have forty-five (45) calendar days from the date the separation agreement is made available to review and consider the separation agreement. Conditionally approved applicants will also have a period of seven (7) calendar days to revoke their acceptance of the separation agreement after it is submitted. During this time, approved applicants are encouraged to seek advice from their financial, legal and/or tax counselors, and to contact the NDSU Office of Human Resources and Payroll with questions about the plan.

6. There is no expectation that all VSIP applications will be approved.

7. Employees who separate from NDSU under this Program waive all tenure or other rights to continued employment as part of participation in the VSIP.

8. Please note that applications and other materials submitted are subject to North Dakota’s open records law and therefore subject to public review with appropriate request.

D. **Incentives**

1. The receipt of an approved applicant’s incentive payment is contingent on continued satisfactory employment until the date of separation from NDSU.

2. Approved applicants will receive a payment equal to 100% of the individual’s annual base budgeted salary, as of October 14, 2019, less all required federal and state taxes and deductions as required by law. The approved applicant will receive a choice of either:

   a. Two lump sum payments, one-half on July 15, 2020 and one-half on January 15, 2021 (the January payment is ineligible for any tax-sheltering);

   or


3. This payment will not be considered compensation for purposes of a retirement employer contribution.

4. Benefits for all approved applicants will terminate on July 31, 2020. Employees may be eligible for COBRA or retiree continuation of health benefits, at their own cost. Employee is responsible to contact NDPERS for additional information and enrollment, prior to termination/retirement. Any other pay and benefits received as a result of employment at NDSU will terminate or cease in accordance with the terms of those established laws, policies, plans and procedures.

5. If applicable, approved applicants will also receive a payment of accrued annual and sick leave calculated pursuant to NDSU and NDUS policies on their July 15, 2020 check. Applicants must submit all leave requests for absences prior to June 30, 2019.
E. **Tax and Financial Consequences of Participation in the VSIP**

1. Eligibility to participate in the VSIP does not automatically make the employee eligible for retirement benefits under the North Dakota Public Employees Retirement System (NDPERS) or the Defined Contribution Retirement Plan (TIAA) or any other institutional, state or federal retirement program. The employee is solely responsible for consulting with his/her retirement program to determine eligibility for and the amount of any annuity, if any, and applying for such benefits, if any, in accordance with state and federal law. It is the employee’s responsibility to submit the required application and information to NDPERS or TIAA or any other retirement program financial provider, whichever is applicable, for processing within the required timelines of the program.

2. In all cases, each participating employee is responsible for consulting with his/her personal tax advisor as to the potential tax consequences of the employee’s participation in the VSIP.

3. No employee of NDSU is authorized by NDSU or the NDUS to provide tax and/or financial advice to employees. Material provided is for general information only and should not replace the advice of a competent financial and/or tax advisor.

F. **Conditions**

1. Not every application will be approved. Nothing in this Program shall be construed to create a right or entitlement to any employee.

2. The approved applicant’s date of separation will be June 30, 2020. The approved applicant will separate from all employment at NDSU on June 30, 2020, and will be restricted from receiving any employment or other compensation from NDSU for one year from the date of separation, unless otherwise approved by the President.

3. In consideration for participation in the VSIP and the receipt of incentives described herein, accepted applicants must voluntarily accept and sign a separation agreement that contains a release of any and all continuing employment rights, including tenure, and any and all claims against NDSU and/or the NDUS, including but not limited to any claim against NDSU and/or NDUS officers, employees, agents, attorneys, insurers and/or their assignees.

III. **SCHEDULE FOR INCENTIVE PROGRAM**

A. NDSU will begin accepting applications on October 14, 2019.

B. The final deadline for submitting applications is 5:00 p.m. CDT on December 13, 2019. NDSU will not accept or consider any applications submitted after the final deadline.

C. The date of separation for applicants approved for participation is June 30, 2019, unless approved by the President.

D. The incentive payment date(s) will be determined by the applicant pursuant to Section II(D)(2).
Appendix I

Eligible Job Families for the Voluntary Separation Incentive Program

- 0105 Executive
- 0110 Dean
- 0115 Officer
- 2010 Associate Dean
- 2020 Assistant Dean
- 2060 Program Administrator (not faculty rank):
  - Academic Program oversight to include management, budget, operations
- 2105 Professor/Professor of Practice
- 2105 Associate Professor/Associate Professor of Practice
- 2110 Assistant Professor/Assistant Professor of Practice
- 2150 Athletic Coach
- 2420 Research Scientist:
  - Position that has benefits similar to faculty positions in that they do not accrue annual or sick leave, faculty and book policies apply, must hold a PhD. Performs research and is in an advisory role
- 2440 Center Director
- 2450 Research Extension Center Specialist
- 2451 Research Extension Center Associate Specialist
- 2452 Research Extension Center Assistant Specialist
- 2510 Extension Specialist:
  - An Extension Service appointment for campus-based or Research Extension Center employees (usually with a Master's degree) who are not eligible for a regular faculty appointment but are specialists in an area relevant to Extension programs
- 2540 Extension Agent:
  - An Extension Service appointment for county-based or area-based employees who provide educational programs in one or more of the general Extension Service programming areas
- 2605 Associate Director Agriculture:
  - An administrative appointment in the Agricultural Experiment Station or the Extension Service with duties assigned by the appropriate Director
- 2610 Assistant Director Agriculture:
  - An administrative appointment in the Agricultural Experiment Station or the Extension Service with duties assigned by the appropriate Director
- 2615 District Director Agriculture:
  - A middle level Extension Service administrator with supervisory responsibility for Extension employees in several counties