

January 11, 2021

# Voluntary Separation Incentive Program at Western Kentucky University

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Opportunity, Adjustment, Renewal, Invention

# Voluntary Separation Incentive Program (VSIP)

## — Overview

WKU is implementing a Voluntary Separation Incentive Program (VSIP) as an employee-centered strategy for making appropriate workforce adjustments and creating opportunities for organizational renewal and invention.

The VSIP focus is on budgeted E&G positions and is intended to protect, preserve and enhance the University's mission and strategic plan.

The VSIP is intended to be a one-time managerial action of the institution. The VSIP provides:

- Eligible faculty and staff with an opportunity to voluntarily separate from employment and receive a compensation incentive and benefits as described under the VSIP.

## **Voluntary Employee-Initiated Action**

**Eligible employees are invited to evaluate and consider the VSIP and the associated incentive and benefits offered.**

**No WKU official/supervisor can require or direct any eligible employee to apply for the VSIP or prohibit them from doing so.**

**Submitting an application to participate in the VSIP is a voluntary employee-initiated action only.**

## VSIP Eligibility

The VSIP is available to faculty and staff who meet the following criteria:

- Completed 15 years of full-time, benefits eligible service at WKU as of June 30, 2021 AND where the sum of the employee's age and total years of full-time service equals 70 or more (as of June 30, 2021).
- Actively employed and who currently hold a full-time Education and General (E&G) funded position.

## VSIP Incentive and Benefits

Eligible faculty and staff who accept the VSIP offer will receive the following incentive and benefits payable on July 30, 2021:

- A lump-sum, one-time payment equal to the employee's annualized base salary as of January 1, 2021—not to exceed \$100,000.
- A health insurance allowance for employees who are less than age 65 as of June 30, 2021. The allowance is calculated at \$650/month for each month under age 65—limited to a total of \$11,700.

## Requirement for Separation from Employment

**VSIP participants must separate from employment on June 30, 2021, and are not eligible for reemployment at WKU. The only exception is in the role of part-time faculty at established compensation levels, but not before January 1, 2022 and at the University's total discretion.**

**VSIP participants may elect to retire from TRS or KERS effective July 1, 2021, following eligibility rules of the retirement systems. Employees who have retirement accounts under the ORP (Optional Retirement Plan) are advised to consult with their designated vendor concerning any desired action.**

## **VSIP Application Procedure**

**Employees who wish to participate in the VSIP must complete a formal VSIP application.**

**Each application will be confirmed as having been received, and each employee will be validated as meeting the established eligibility criteria.**

**An employee may withdraw a previously submitted application if done within the required time frame.**

## **VSIP Voluntary Separation Waiver and General Release Agreement**

**Prior to filing a VSIP application, employees are advised to consult with an attorney of their choosing to carefully review VSIP documents, the incentive and benefits and other conditions associated with VSIP acceptance.**

**A Waiver and General Release Agreement is required of all approved VSIP participants and requires employees to waive all rights to make a legal claim against WKU related to VSIP participation.**



## VSIP Timeline

Date	Action
January 13, 2021	Campus announcement to all employees via campus email
January 14 – March 15, 2021	Employee education, review and application period
March 15, 2021 (4:00pm)	VSIP application deadline
April 6, 2021 (4:00pm)	Deadline for withdrawal and revocation from participation
June 30, 2021	Date of separation from employment at WKU
July 30, 2021	Date VSIP incentive and benefits paid to participants
January 31, 2022	Date of second payment for participants who elect two equal payments

## Procedure for Managing Budgeted Salaries

The E&G budgeted salaries associated with employees who participate in the VSIP will be retained centrally and held for purposes of re-prioritizing human capital, organizational renewal and investment in identified strategic initiatives.

The retained salary pool shall be under management of the Provost and Vice President for Academic Affairs and the Executive Vice President for Strategy, Operations and Finance, in consultation with the University President.

## VSIP- Eligible Population and Estimated Interest Levels

- The total number of eligible employees (faculty and staff) is approximately 400.

### Interest Level Estimation

Interest Level Scenarios	Faculty	Staff	Total
Maximum Interest	76	64	140
Moderate Interest	57	47	104
Low Interest	39	33	72

A person is holding a large white rectangular sign. The sign is secured with four silver fasteners at the corners. At the bottom of the sign, there is a horizontal brown band. On the left side of this band, there is a vertical white line. The text 'THANK YOU!' is written in white, serif, all-caps font on the brown band. Below the text, there is a short horizontal black line.

THANK YOU!