I. PURPOSE

The purpose of the Tenured Faculty Voluntary Separation Incentive Program (TFVSIP) is to implement a limited time incentive to eligible UND employees in order to achieve specific institutional objectives. These objectives include:

A. Reducing salary, wage and benefit costs in anticipation of imminent funding challenges.

B. 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.

C. To the extent possible, and in the context of the long-term fulfillment of the University’s mission, minimize the scope and/or number of involuntary terminations.

This is anticipated to be a unique and one-time offering by UND, with a window of opportunity for individuals to submit voluntary applications for consideration. However, the University leaves open the right to continue the program beyond the original schedule, and/or initiate similar programs in the future. Participation in the program is voluntary for both the University and the tenured faculty member. Tenured faculty members are not guaranteed participation in the plan, and the decision to approve an applicant is entirely at the discretion of UND.

UND anticipates approving as many applications as possible. The University has discretion to limit the total number of applicants approved for reasons, 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 TFVSIP is not an entitlement of benefit. It is intended to be a tool for UND to be used to meet both the imminent funding challenges and to meet the long-term fulfillment of the University’s mission. It is also an attempt by the University to recognize the invaluable contributions of its tenured faculty while meeting its current financial constraints.

All tenured faculty employees who meet the minimum eligibility requirements are invited to apply; however, not every individual meeting the minimum requirements and submitting an application will be approved. Certain schools/colleges may determine that they cannot recommend an applicant for
approval based on budgetary and programmatic demands. The Provost and Vice President for Academic Affairs or Vice President for Health affairs, as appropriate, will consult with the respective school/college dean in making a recommendation to the President. The President retains sole discretion over the eligibility and approval of any TFVSIP application.

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
   Individuals meeting all of the following criteria are eligible to apply for the TFVSIP:
   1. The individual must be a tenured faculty member currently employed at UND, as defined by the North Dakota State Board of Higher Education (Policy 605.1).
   2. The individual must meet the Rule of 70, which is calculated as the sum of the employee’s age and total years of benefited employment in the North Dakota University system (e.g. 60 years old with 10 years of benefited employment).
   3. The individual must meet these eligibility criteria as of February 9, 2016.
   4. The individual must review and acknowledge the TFVSIP Program Guidelines and Application for participation prior to March 21, 2016.

B. Exclusions
   The following individuals 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 February 9, 2016;
   2. Employees who have participated or are participating in a Phased Retirement Program;
   3. Employees who are rehired retirees;
   4. Part-time or adjunct faculty;
   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 February 9, 2016;
   8. Employees who begin other employment prior to the completion of his/her employment with UND. For example, faculty on 9 month contracts whose contract ends on May 15, 2016, will still be eligible to participate in the TFVSIP as long as his/her new position does not begin prior to May 15, 2016. Faculty on 12 month contracts with an
end date of June 30, 2016, will still be eligible to participate in the TFVSIP as long as his/her new position does not begin prior to June 30, 2016;

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 TFVSIP criteria for eligibility. If you have questions regarding your eligibility, please contact the UND Office of Human Resources by email at und.hr.VSI@und.edu. **Please note:** the UND Office of Human Resources is the only official source of information or interpretation for this program. Any questions received will be responded to in writing by a representative of the UND Office of Human Resources.

2. Applications will be made available at the UND Office of Human Resources located in Twamley Hall Room 313. Applications can also be found online at http://und.edu/finance-operations/human-resources-payroll/tfvsip-page.cfm.

3. Eligible employees must submit completed applications for consideration in the TFVSIP to the UND Office of Human Resources. Applications are encouraged as early as possible with the **final deadline for consideration being no later than 4:30 p.m. CST on March 21, 2016.** Applications can be submitted in one of two ways:
   a. Hand Delivered to UND Office of Human Resources, Twamley Hall Room 313, or
   b. Sent via email to: und.hr.VSI@und.edu.

   **It is the applicant’s responsibility to ensure that their application was received by the application deadline. UND encourages applicants to contact the Office of Human Resources to confirm receipt of their application regardless of submittal method used.**

4. The Office of Human Resources will assure accuracy, completeness and verify eligibility for each application. After the application deadline had passed, Deans of the schools/colleges, in consultation with the Division of Finance & Operations and other UND staff, will evaluate the applications received in relation to the objectives of the TFVSIP and specifically document those discussions prior to consideration by the Provost and Vice President for Academic Affairs or Vice President for Health Affairs. The appropriate Vice President and Vice President of Finance and Operations, or designee, will then
review the application in detail, before it is submitted to the President for conditional approval or denial. Final approval of an applicant is conditioned on execution of an unmodified separation agreement and only the President may approve a Tenured Faculty Program separation agreement.

5. The President’s decision on each application will be communicated to the applicants as soon as practicable.

6. Conditionally approved applicants will be provided with a separation agreement for their review. Conditionally approved applicants will have forty-five (45) days, from the date of the separation agreement is made available, to review and consider the separation agreement. Conditionally approved applicants will also have a period of seven (7) 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 office of Human Resources with their questions about the plan.

7. **There is no expectation that all TFVSIP applications will be approved.**

8. Employees who separate from UND under this Program waive all tenure or other rights to continued employment as part of participation in the TFVSIP.

9. 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. Approved applicants will receive a payment equal to 100% of the individual’s annual base salary, less all required federal and state taxes and deductions as required by law. The approved applicant will have a choice of:
   a. One lump sum payment on July 29, 2016; or
   b. Two equal payments made on July 29, 2016 and January 13, 2017; or
   c. An amount payable according to options (a) or (b) above minus any NDPERS COBRA or retiree health insurance payments up to 18 months following separation. An approved applicant will have the option to request that UND pay their NDPERS COBRA or retiree health insurance payments for up to 18 months following separation. An approved applicant can
choose any number of months of payment, but the number of months to be covered must be selected prior to separation and the sum paid must be calculated prior to separation. UND will only pay NDPERS COBRA or retiree health insurance payments at the request of the approved applicant, and the sum paid towards those benefits will be subtracted from the accepted applicant’s incentive payment. An employee’s decision to elect this option does not extend their total NDPERS COBRA or retiree health insurance eligibility past 18 months following separation.

2. No change in base salary within the ninety (90) days prior to February 9, 2016 will be taken into account in determining the employee’s base salary for use in the incentive calculations.

3. UND health insurance benefits for approved applicants will terminate on July 31, 2016. Any other pay and benefits received as a result of employment at UND will terminate or cease in accordance with the terms of those established laws, policies, plans and procedures.

E. Tax and Financial Consequences of Participation in the TFVSIP

1. Eligibility to participate in the TFVSIP 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/CREF) 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/CREF or any other retirement program financial provider, whichever is applicable, for processing within the required timelines of the program.

2. In all cases, each individual 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 TFVSIP.

3. No employee of UND is authorized by UND or the North Dakota University System to provide tax and/or financial advice to employees. Information sessions and material are for general information only and
should not replace the advice of a competent financial and/or tax advisor.

F. Conditions

1. Not every individual application will be approved. The President has sole discretion over the determination of eligibility and approval or denial of any individual application to the TFVSIP in order to achieve specific institutional objectives. Nothing in this program shall be construed to create a right or entitlement to any employee.
2. Approved participants in the TFVSIP shall be restricted from being rehired by the University for one year from the date of separation, unless authorized by the President because of exigent circumstances.
3. The approved applicant’s date of separation will be June 30, 2016. The approved applicant will separate from all employment at UND on June 30, 2016 and will be restricted from receiving any employment or other compensation from UND for one year from the date of separation, unless otherwise approved by the President.
4. In consideration for participation in the TFVSIP and the receipt of incentives described herein, accepted applicants must voluntarily accept and sign a separation agreement that contains a release of tenure, all continuing employment rights and any and all claims against the University of North Dakota and/or North Dakota University System, including but not limited to any claim against their officers, employees, agents, attorneys, insurers and/or their assignees.

III. Schedule for the Incentive Program.

1. The TFVSIP will be announced on February 9, 2016. UND will begin accepting applications on February 9, 2016.
2. UND will offer two information sessions about the TFVSIP. The first informational session will be held on Thursday, February 11, from 3:30-4:30 p.m. in the Lecture Bowl. The second session will be held on Monday, February 22, in the River Valley Room at the Memorial Union. The same information will be discussed at both sessions, and interested individuals can attend either meeting.
3. The final deadline for submitting applications is 4:30 p.m. CST on March 21, 2016. UND will not accept or consider any applications submitted after the final deadline.

4. The date of separation for applicants approved for participation is June 30, 2016.

5. The incentive payout date will be determined by the accepted applicant as described in Section II. C. above.