The University of North Dakota

Staff Voluntary Separation Incentive Program

Frequently Asked Questions (FAQ)

Q.1. What is the “Staff Voluntary Separation Incentive Program”?

The Staff Voluntary Separation Incentive Program (“SVSIP”) provides eligible, approved Staff members with incentive pay of up to 50% of their annual base salary if they choose to separate from employment and agree to the conditions of the program. Incentive amount is based on years of completed service and base salary.

Q.2. Why is this Program being offered?

The University of North Dakota (“UND”) is experiencing imminent funding challenges and the SVSIP gives the campus an opportunity to reduce salary expenses and benefit and wage costs in anticipation of funding cuts, and to redirect the allocation and appointment of positions at UND to maximize UND’s ability to fulfill its mission on a continuing basis. The SVSIP is designed to provide an incentive for employees to elect voluntary separation in an attempt to minimize the possible number of involuntary terminations in the future.

Q.3. How is this Program being funded?

All costs of the Program will be the responsibility of the existing employee’s school/college/department. There are no central funds set aside for this program.

Q.4. Why should I consider participating?

The SVSIP is strictly voluntary, and there are a variety of reasons why you may decide to submit an application. For example, if you are considering retirement or separating from UND for other reasons, the SVSIP could provide additional flexibility and options.

Q.5. What is the incentive that is being offered for this Program?

In exchange for his or her separation from employment at UND, approved, eligible applicants will receive a payment of up to 50% of their annual base salary, less all required federal and state taxes and deductions as required by law. This payment will not be considered compensation for purposes of a retirement employer contribution. Calculation of the incentive is one week of pay per completed year of service to the NDUS up to six months of his or her annual base salary.

Q.6. What is a base salary?

Your annual base salary does not include overloads, stipends, overtime, summer payments or salary increases received due to an acting or interim assignment, responsibility, or any other
payments above base salary. No change in annual base salary within ninety (90) days prior to or after March 9, 2016 will be taken into account in determining the employee’s annual base salary for use in the incentive calculation.

Q.7. Who is eligible to apply for participation in this Program?

Benefited staff members at UND who 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. For example, if you are a Staff member who is 60 years old and have been a benefited employee at UND for 10 years, you would be eligible to apply for the Program. Staff members must be in good standing with no current disciplinary letters or corrective action, performance improvement or other similar plans in place.

Q.8. Am I required to apply for the Program if I am eligible?

No. Participation in the program by any eligible employee is strictly voluntary.

Q.9. If I submit an application for consideration, will I automatically be approved for the Program?

No. Not all SVSIP applicants will be approved. All eligible employees are invited to apply, but not every individual who meets the minimum requirements and submits an application may be approved. The decision to approve an applicant is entirely at the discretion of UND and will take into account the impact on the applicant’s school/college/department and will be made with the best interests of UND in mind.

Q.10. Is it possible that some Staff members who meet the rule of 70 are still not eligible for the Program?

Yes. Even if a Staff meets the rule of 70, he or she may not be eligible for the Program. For example, staff members who have already given notice of their intent to retire or resign would not be eligible for the Program. Please refer to the Program Guidelines for a complete list of who is not eligible for the Program.

Q.11. How do I apply for the Program?

Applications will be available beginning on March 9, 2016. You can get an application from the UND Office of Human Resources located in Twamley 303, or you can print off an application from the SVSIP website: http://und.edu/finance-operations/human-resources-payroll/svsip-page.cfm. Completed applications must be submitted to UND Human Resources no later than 4:30 p.m. CST on March 31, 2016. You can either hand deliver your application to Twamley 303 or submit it via email to und.hr.VSI@und.edu. UND Human Resources will send a confirmation of application receipt, however, it is your responsibility to ensure that your application has been received. If you do not receive a confirmation within 48 hours of submission, please contact Human Resources to confirm receipt.
Q.12. Can I withdraw my application after it is submitted to Human Resources?
Yes. You may withdraw your application at any time prior to signing a separation agreement. The withdrawal should be in writing and sent to UND Human Resources as soon as possible.

Q.13. What is a separation agreement? Will I be required to sign it if my application is approved?
If your application is conditionally approved, you will be required to accept and sign a separation agreement. The separation agreement will outline the terms of the accepted applicant’s separation from UND including all continuing employment rights and any and all claims against UND and/or the North Dakota University System. Once your application has been conditionally approved and you have been provided the separation agreement, you will have forty-five (45) calendar days to sign and submit the separation agreement to Human Resources. You then have seven (7) calendar days from the date you submitted your signed separation agreement to revoke your acceptance and withdraw it. If you decide to revoke your acceptance, you must provide notice in writing to UND Human Resources no later than seven (7) days after you submit it.

Q.14. Does submitting an application obligate me to separate?
No. The separation agreement will be presented to those who are selected from among the applicants. If you are accepted, you will have forty-five (45) calendar days to decide you want to move forward. Once you have submitted your signed release and an additional seven (7) calendar day revocation period has passed, your decision to participate in the Program cannot be rescinded.

Q.15. What happens if I am eligible, but I do not apply for the Program?
A decision to apply or not apply for consideration is strictly voluntary. If you are eligible and choose not to apply, your work status and benefits will remain the same.

Q.16. What are the deadlines for applying to this Program?
You will have from March 9, 2016 through 4:30 p.m. CST on March 31, 2016 to submit an application to UND Office of Human Resources either in person or by email. Applications received after 4:30 p.m. CST on March 31, 2016 will not be considered.

Q.17. Why is March 31, 2016 the final date for applying to this program?
This date was selected to ensure sufficient time to administer the SVSIP, which will include a review and signing of separation agreements, processing payments and separating accepted Staff members from their respective departments and colleges.

Q.18. How will UND determine which applications are approved?
The Office of Human Resources will first verify that each application submitted meets the minimum eligibility requirements of the SVSIP. The applicable department head will then consult with the appropriate Vice President, a designee from Finance and Operations and other UND staff to evaluate the applications in relation to the objectives of the SVSIP and make a recommendation to the President. Applications may be approved or declined with respect to specific employees within organizational units and funding categories depending on budgetary and programmatic demands.

Q.19. How will I know if my application to participate in the Program was accepted or denied?

If you apply for participation, you will be notified as soon as practicable after the March 31, 2016, application deadline.

Q.20. When will I have to be officially separated from employment at UND if my application is accepted?

If you apply and are approved for participation in the SVSIP, your separation date from UND will be June 30, 2016. Exceptions to this date may be approved in specific instances for the benefit of the university.

Q.21. When will I be provided with the incentive payment?

Approved applicants will receive a payment not to exceed 50% of their annual base salary, less all required federal and state taxes and deductions as required by law. If approved, you will have the choice of either (1) one lump payment less applicable deductions and taxes on July 29, 2016 or (2) two equal payments made on July 29, 2016 and January 13, 2017.

Q.22. Why does UND require that I separate on a specific date?

The date designated for separation is based on a required timeline that includes, but is not limited to, the signing of separation agreements, the campus budget process, reorganization within affected departments/colleges/schools and administration of the SVSIP.

Q.23. Can I be rehired at UND after I separate from employment under the SVSIP?

If you participate in the SVSIP, you will be restricted from being rehired or compensated in any capacity by UND for one year from the date of separation, unless authorized by the President for exigent circumstances.

Q.24. If I am selected and accept the separation, does that mean that my position will not be filled?

Not necessarily. The eligibility criteria are not limited to those whose functions may be reduced or eliminated due to their departure. Cost savings may be realized even if the position is filled, or if there is a delay in filling the position.
Q.25. If I do not apply for the Program and am involuntarily separated from employment at a later date, will I get an incentive payment?

The SVSIP is anticipated to be a unique and limited time offering by UND. If you are involuntarily separated from employment at UND at some point in the future, you may be eligible for a severance compensation (however severance compensation is not required nor guaranteed), in accordance with UND and North Dakota University System policies. For additional information, please contact the UND Office of Human Resources.

Q.26. If my application is accepted and I separate from UND, will it save one of my colleagues from involuntary separation in the future?

The possible impact of this program on layoffs and notices of non-reappointment will depend on a number of factors, including how many employees participate in the program, strategic plans, impact on a department or program, and changes in UND’s financial health among other factors.

Q.27. Will I be required to retire if my application is accepted?

No. This is not a retirement program. Participation in this Program does not automatically make you eligible for retirement benefits under NDPERS or TIAA/CREF or any other institutional, state or federal retirement program. If you have questions about retirement, you should consult with your retirement program provider.

Q.28. Will I continue to receive health care coverage after my separation date under the Program?

As stated in the Program guidelines, health insurance benefits will terminate for approved applicants one month after the date of separation. Any other pay and benefits will also terminate or cease in accordance with the terms of those established laws, policies, plans and procedures. Accepted applicants who separate from UND will be eligible for NDPERS COBRA (for up to 18 months) or retiree health insurance coverage after separation. If an accepted applicant wants UND to cover their NDPERS COBRA or retiree health insurance payments as part of their separation, the individual may exchange their incentive payment, in full or in part, for up to 18 months of health insurance payments, in lieu of receiving the lump sum payment. The sum paid towards those benefits will be calculated prior to the separation date, and that sum will be deducted from the annual base salary incentive payment.

Q.29. Will Social Security be deducted from the payment as part of the taxes?

Yes. The employee share of FICA will be deducted from the staff payment and UND will pay its employer share. Exception: If the employee has reached his or her Social Security wage limit, only Medicare will be deducted/paid.
Q.30. Will departing staff still be able to contribute the full amount to the 403 and 457 plans through TIAA-CREF for this calendar year and, if the payout is made in two payments including one in January, for next year as well?

Yes, subject to IRS limits.

Q. 31. What about money I have in my Flex Account?

Flexcomp participants must incur medical expenses, prior to separation, to be eligible for reimbursement. However, flexcomp participants will have until April 30, 2017 to submit the expenses for reimbursement.

Q 32. Will I be eligible for Unemployment Insurance?

No. Because this is a voluntary separation, unemployment insurance benefits are NOT available.

Q 33. Why are the terms different for the staff (SVSIP) than they are for the tenured faculty (TFVSIP) program?

The faculty program (TFVSIP) is open only to eligible tenured faculty. The employment rights and policies regarding tenured faculty are different from the policies and employment rights of staff due to the nature of tenure.

Q 34. Are non-tenured faculty included in the SVSIP or the TFVSIP?

No. Currently the only programs being offered are for staff and tenured faculty.

Q 35. Will I still receive my vacation and sick leave payout if I accept the SVSIP?

Yes. Staff members who are approved and accept the SVSIP are still eligible to receive vacation accrual payout as well as a 10% of sick leave accrual if they meet the eligibility requirements for sick leave payout.

Q 36. If my application is accepted do I have to continue working until June 30, 2016?

The last day worked will be negotiated per the agreement, but will be no later than June 30, 2016. However, all staff participating in the SVSIP must remain in good standing for the duration of their employment.