

EARLY EXIT PROGRAM (EEP)

Terms and Conditions

As part of an effort to reduce the structural budget, Sonoma State University (the “SSU”) is implementing an EARLY EXIT PROGRAM (EEP), intended to encourage employees to voluntarily separate with severance on or before July 31st, 2021. This is a one-time, non-precedent setting program. SSU employees interested in participating in the EEP should carefully read these TERMS AND CONDITIONS and APPLICATION (Attached here as Exhibit 1). Participation in the EEP requires the execution of separation agreements, which include a general release of all claims further explained below.

TERMS AND CONDITIONS

SSU hereby implements the EEP with the following terms and conditions:

1. **Employee Eligibility** – Employees must meet all of the criteria below to participate in the EEP.
 - 1.1. Employee Status – As of the application deadline on April 30th, 2021 and continuing up until the date and time of the employee’s separation determined in accordance with the EEP, employee must be a current: Sonoma State University state-side Management Personnel Plan employee (MPP) in a permanently funded position; employee in a permanent position; or full-time faculty member with a three (3) year contract or a full-time athletic coach. Temporary and probationary employees are not eligible to participate in the EEP.
 - 1.2. CalPERS Service Retirement Eligibility Required – As of April 30th, 2021, employee must be CalPERS service retirement eligible. To determine your eligibility please contact CalPERS at 1-888-CalPERS (1-888-225-7377). Please note that there is no requirement to retire, only that the employee is eligible to retire. Human Resources is not authorized to determine CalPERS eligibility.
 - 1.3. Years of Service to the University – As of April 30th, 2021, employee must have at least ten (10) years of service to the SSU to be eligible. Service does not need to be served consecutively and excludes student employment.
 - 1.4. No Faculty Early Retirement Program (FERP) – Faculty that are currently participating in the FERP program are not eligible to participate in the EEP. Additionally, faculty that opt to enter the FERP program will not be eligible to participate in the EEP program. Once a faculty member has voluntarily participated in the EEP program, they will have separated from the University and will no longer be eligible for participation in FERP.
 - 1.5. No Rehired Annuitants – Rehired annuitants are already CalPERS retired, are not permanent employees and, therefore, are not eligible for the EEP.
 - 1.6. Previous Notice of Retirement or Separation – Employees who have already established a retirement date are eligible for this program, provided that they comply with all terms and conditions of the EEP.
2. **Severance** – Employees who voluntarily separate as part of the EEP will be offered severance pay. In exchange for voluntarily separating and executing separation agreements (which include a release of all claims),

employees will receive an amount equivalent to six (6) months' salary or a minimum of \$25,000 (whichever is greater), subject to a maximum cap of \$60,000 (with such minimum amount and maximum cap to be prorated for employees appointed for less than full-time). Severance pay is calculated using an employee's monthly base salary (prorated for employees appointed for less than full-time) at the time of the application deadline on April 30th, 2021. Separation must occur on or before July 31st, 2021 in most cases. Please see Section 3.2 for exceptions.

The severance pay is divided into two (2) parts. Employees will receive eighty (80) percent of the calculated severance amount in exchange for signing the FIRST SEPARATION AGREEMENT & RELEASE, after receiving conditional approval to participate in the EEP (as explained in Section 5). Employees will receive the remaining twenty (20) percent of the calculated severance amount for signing the FINAL SEPARATION AGREEMENT & RELEASE on their last day of employment.

If applicable, both portions of the severance, as described above, will be distributed to the participant within thirty-one (31) calendar days after the separation date as indicated on the FIRST SEPARATION AGREEMENT & RELEASE and the FINAL SEPARATION AGREEMENT & RELEASE.

Note 1: For the purpose of calculating the amount of severance pay under this paragraph, only the employee's base salary for employment eligible in Section 1.1 above will be considered, up to 1.0 time base. Examples of items not included in an employee's base salary include, without limitation, salary or other pay for appointments in excess of a 1.0 time base, temporary appointments, salary or other pay for employment not eligible under Section 1.1 above, stipends, shift differentials, and/or bonuses.

Note 2: Severance pay is taxable income and will be paid through the State Controller's Office. This income is not considered compensation earnable for purposes of calculating CalPERS retirement benefits. The payment will be taxed at the flat tax rate which includes 22% for Federal and at least 6.6% for California State.

3. Limitations

- 3.1. No Entitlement – Submission of an APPLICATION is not an entitlement and not a guarantee of participation. All provisions of the EEP are subject to change.
- 3.2. Critical Positions and Functions – Generally, employees serving in critical or hard-to-fill positions, with critical knowledge or skills, working on time-sensitive projects, and faculty with a current teaching load for the summer 2021 term may have their separation date deferred past July 31st, 2021 to allow for management to ensure business needs are met. These decisions will be made in consultation with Human Resources, in consultation with and subject to the approval of the Division Vice President and/or President.
- 3.3. In Order of Application – Employee's APPLICATION must be received by SSU on or before the close of business on April 30th, 2021 to be considered. Completed APPLICATIONS will be processed on a first-come, first-served basis in the order which the APPLICATIONS are received by Human Resources. Incomplete APPLICATIONS will not be processed and will be returned to the employee. There is no guarantee that an APPLICATION will be processed before the termination of the EEP. Termination of the EEP may occur at any time at management's discretion, including prior to April 30, 2021.

4. Approval Process

- 4.1. Application – The APPLICATION must be completed accurately and signed by the employee. Approval of the Division Vice President and/or President is required for separations occurring after July 31st, 2021. Please note that in this instance, the employee still must sign the FIRST SEPARATION AGREEMENT & RELEASE after submitting the APPLICATION. It is the employee's responsibility to collect all pertinent information before submitting the required documents to Human Resources.
- 4.2. Deadline – APPLICATIONS must be received by the close of business on April 30th, 2021 and can be submitted electronically or via mail. Employees are highly encouraged to electronically sign and return to facilitate timely receipt of APPLICATIONS and to limit mail delivery and on-campus operations during the COVID-19 pandemic.
- 4.3. Irrevocable after Execution of Separation Agreement and Release – Employee agrees that participation in the EEP and receipt of the severance pay is conditioned on their voluntarily resignation of employment from SSU (including from any and all appointments and/or positions held with SSU) and execution of the separation agreements. Employee acknowledges that their resignation is voluntary, permanent, and will be irrevocable as of the date of the execution of the FIRST SEPARATION AGREEMENT & RELEASE. Employee is required to waive any rights they may have under any applicable law, regulation, Collective Bargaining Agreement or policy to revoke or rescind their resignation.
- 4.4. Separation Date – Unless the separation date is deferred as per Section 3.2 Critical Positions and Functions, the separation date shall be on or before July 31st, 2021. In all instances, the separation date is determined in conjunction with the appropriate administrator to ensure business continuity. If the employee intends to retire, it is highly recommended that the employee immediately contacts CalPERS, as the CalPERS retirement processing may take up to 3-4 months.

5. **Execution of Separation Agreement** – Human Resources will review the employee's APPLICATION to confirm their eligibility to participate in the EEP based on these TERMS AND CONDITIONS specified in this program and determine if the positions falls under section 3.2 Critical Positions and Functions. If it is determined that the position falls under 3.2 Critical Positions and Functions, Human Resources will consult with the employee and the Division Vice President and/or the President to determine a modified separation date.

If Human Resources confirms that the employee is eligible to participate in the EEP, then Human Resources will conditionally approve the employee's APPLICATION. The approval is conditioned on the employee's timely execution of the FIRST SEPARATION AGREEMENT & RELEASE.

Human Resources will notify the employee of the conditional approval by email and send the employee the FIRST SEPARATION AGREEMENT & RELEASE. The FIRST SEPARATION AGREEMENT & RELEASE will include, among other provisions, a general waiver and release of all claims. The employee will have fourteen (14) calendar days from the date Human Resources sends the employee the notice of the conditional approval and the FIRST SEPARATION AGREEMENT & RELEASE to return an executed FIRST SEPARATION AGREEMENT & RELEASE to Human Resources via AdobeSign or mail. Failure to return the executed FIRST SEPARATION AGREEMENT & RELEASE within the specified time period will result in the University rescinding the conditional approval of the employee's APPLICATION to participate in the EEP.

Human Resources will send the employee the FINAL SEPARATION AGREEMENT & RELEASE at least fourteen (14) calendar days before the employee's final date of employment. The employee shall execute the FINAL SEPARATION AGREEMENT & RELEASE on their final date of employment and return to Human Resources via AdobeSign or mail. Failure to timely return an executed FINAL SEPARATION AGREEMENT & RELEASE to Human Resources will result in the employee not being eligible for the remaining and final twenty (20) percent of severance pay.

6. **Non-Waiver of Management Rights** – The EEP is not to be construed as a waiver of management's rights. The University retains and reserves unto itself, without limitation, whether exercised or not, all powers, rights, authorities, duties, and responsibilities which have not been specifically abridged, delegated or modified by any current and respective Collective Bargaining Agreement. Nothing in this EEP shall constitute a waiver of management's rights to enforce any articles under any Collective Bargaining Agreement, including but not limited to articles related to layoff.