Voluntary Separation Incentive Program (VSIP)

Terms and Conditions

As part of an effort to reduce the structural budget, Sonoma State University (the “SSU”) is implementing a VOLUNTARY SEPARATION INCENTIVE PROGRAM (VSIP), intended to encourage employees to voluntarily separate their employment on or before May 31, 2023 in exchange for a severance benefit payment. This VSIP is a one-time, non-precedent setting program. SSU employees interested in participating in the VSIP shall carefully read these TERMS AND CONDITIONS and APPLICATION (Attached here as Exhibit 1). Participation in the VSIP is voluntary and requires the execution of separation agreements, which include a general release of all claims further explained below.

TERMS AND CONDITIONS

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

1. Employee Eligibility – Employees must meet all of the criteria below to participate in the VSIP.

   1.1. Employee Status – As of the application deadline on December 21, 2022 and continuing up until the date and time of the employee’s separation determined in accordance with the VSIP, employee must be a current: Sonoma State University state-side employee in a permanent position; or full-time faculty member with a three (3) year contract. Temporary employees are not eligible to participate in the VSIP.

   1.2. Years of Service to the University – As of December 22, 2022, employee must have at least five (5) years of service to the SSU to be eligible. Service does not need to be served consecutively and excludes student employment.

   1.3. No Faculty Early Retirement Program (FERP) – Faculty that are currently participating in the FERP program are not eligible to participate in the VSIP. Additionally, faculty that opt to enter the FERP program will not be eligible to participate in the VSIP. Once a faculty member has voluntarily participated in the VSIP, they will have separated from the University and will no longer be eligible for participation in FERP.

   1.4. No Rehired Annuitants – Rehired annuitants are already CalPERS retired, are not permanent employees and, therefore, are not eligible for the VSIP.

   1.5. Previous Notice of Retirement or Separation – Employees who have already established a retirement or separation date but are otherwise eligible for the VSIP are still eligible to apply for this program, provided that they comply with all terms and conditions of the VSIP.

2. Severance Benefit– Employees who voluntarily separate as part of the VSIP will be offered severance benefit 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, subject to a maximum cap of
$60,000 (prorated for employees appointed for less than full-time). Severance Benefit pay is calculated using the employee’s monthly base salary (prorated for employees appointed for less than full-time) as of the application deadline on December 21, 2022. Separation from SSU employment must occur on or before May 31, 2023. Please see Section 3.2 for exceptions.

The Severance Benefit 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 VSIP (as explained in Section 5). Employees will receive the remaining twenty (20) percent of the calculated Severance Benefit amount for signing the FINAL SEPARATION AGREEMENT & RELEASE on their last day of employment.

If applicable, both portions of the Severance Benefit, as described above, will be distributed to the participant within thirty-one (31) calendar days of Employee’s execution of the relevant agreement (first or final) and SSU approval and execution.

Note 1: For the purpose of calculating the amount of Severance Benefit 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 and applicable FICA taxation.

3. Limitations

3.1. **No Entitlement** – Submission of an APPLICATION is not an entitlement and not a guarantee of participation. All provisions of the VSIP 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 2023 term may have their separation date deferred past May 31, 2023 to allow for SSU to ensure operational 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 Receipt by HR** – Employee’s APPLICATION must be received and time stamped by SSU Human Resources Department by email, personal delivery, or mail on or before the close of business on December 21, 2022 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 VSIP. Termination of the VSIP may occur at any time at management’s discretion, including prior to December 21, 2022 and, including, but not limited to the expenditure of funds allocated to the VSIP.
4. Approval Process

4.1. Application – The APPLICATION must be completed fully, accurately, and signed by the employee. Approval of the Division Vice President and/or President is required for separations occurring after May 31, 2023. 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 qualify for the VSIP.

4.2. Deadline – APPLICATIONS must be received and timestamped by SSU Human Resources Department by the close of business on December 21, 2022. Applications will be processed in order of receipt as timestamped by SSU Human Resources Department.

4.3. Irrevocable after Execution of Separation Agreement and Release – Employee agrees that participation in the VSIP and receipt of the Severance Benefit 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 upon submitting their executed 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 May 31, 2023. 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 VSIP 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 VSIP, then Human Resources will conditionally approve the employee’s APPLICATION. The approval is also 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 fourteen (14) day time period will result in the University rescinding the conditional approval of the employee’s APPLICATION to participate in the VSIP.
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 it to Human Resources via AdobeSign or personal delivery 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 Benefit.

6. **Non-Waiver of Management Rights** – The VSIP 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 VSIP 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.