



**Voluntary Separation Incentive Plan (VSIP) at
Western Kentucky University
Plan Document
Staff Employees
Fall 2024**

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Section 1: Introduction, Purpose and General Description

Our employees are instrumental to the success of Western Kentucky University (WKU). As part of an employee-centered strategy, WKU is implementing a Voluntary Separation Incentive Program (VSIP). This program is designed to recognize the contributions of our long-standing employees and offer opportunities for those considering a career change, while supporting organizational renewal and invention and providing financial flexibility.

This document serves as the official plan describing the VSIP and will guide its implementation.

Section 2: VSIP Administration Responsibilities

As authorized by the University President, the VSIP will be administered by the Provost and Vice President for Academic Affairs (Dr. Robert Fischer) and the Executive Vice President for Strategy, Operations and Finance (Ms. Susan I. Howarth). In consultation with the University President, these two senior leaders will have responsibilities for VSIP communication and administration, validating employee eligibility and providing final approval of employees into the VSIP. The Department of Human Resources will play a key role in communicating, educating, assisting employees with questions, serving as custodian of program documents, and assisting VSIP participants with separation from WKU. The Office of the General Counsel will be responsible for all questions related to the Waiver and General Release Agreement portion of the application materials and compliance with all applicable policies, procedures, and regulations.

Section 3: Communication of the WKU VSIP Program

A variety of communication methods will be utilized for broad communication and understanding of the VSIP, including the following:

- A website will be established to broadly describe the program, communicate key information, publicize timelines, answer frequently asked questions (FAQs) and maintain official documents. This website will also display any updates/news concerning the VSIP, as necessary.
- A program-specific email address will be established for official VSIP communication. All email communication will be monitored by representatives in the Department of Human Resources. Inquiries related to the VSIP are invited from all eligible and interested faculty and staff.
- The Department of Human Resources will host information sessions to explain the VSIP and its implementation. Human Resources will remain readily available to assist faculty and staff throughout the VSIP timeline.
- The Department of Human Resources will host open office hours for employees to ask general questions.

Section 4: VSIP Scope and Limits

All eligible employees are invited to apply for the VSIP. Eligibility criteria is set forth in Section 9 below.

Section 5: Amendment or Termination of Program

WKU reserves the right to amend or terminate VSIP, in whole or in part, prior to the Revocation Deadline of October 25, 2024.

Section 6: Procedure for Managing Budgeted Salaries

The E&G budgeted salaries and benefits associated with faculty and staff employees who are accepted into the VSIP will be retained centrally and held for purposes of re-prioritizing human capital and investment in identified strategic needs. The retained salary pool shall be under the management of the Provost and Vice President for Academic Affairs and the Executive Vice President for Strategy, Operations and Finance. Position vacancies that are generated because of the VSIP will only be filled if approved by both the Provost and Vice President for Academic Affairs and the Executive Vice President for Strategy, Operations and Finance, in consultation with the University President.

Section 7: VSIP Timeline and Key Dates for Staff Participants

Steps	Timeline
1. Plan Announcement	September 3rd
2. Application & Consideration Period	September 3 rd – October 18 th , 2024
3. Revocation Deadline	October 25 th at 5:00 PM CST
5. Separation Date	November 30, 2024
6. Incentive Payment Date	The last regularly scheduled payroll in January 2025

Section 8: VSIP as a Voluntary Employee-Initiated Action

Each eligible employee is invited to evaluate and consider the VSIP and determine whether the VSIP is a beneficial and desired action. No WKU official/supervisor can require or direct any eligible employee to apply for the VSIP or prohibit them from applying. Applying to participate in the VSIP is a voluntary employee-initiated action only. Submitting a VSIP application does not in any way change an employee's current employment status or conditions at WKU and may not be used to retaliate against an employee with respect to future terms and conditions of employment.

Section 9: VSIP Eligibility

Employees who are eligible to participate in the VSIP are described below. All discrepancies concerning eligibility shall be determined solely by the VSIP administrators and are not subject to review or formal appeal through any University process.

Staff Employee Eligibility Criteria

Staff employees must meet all noted criteria.

- Completed 20 years of full-time service at WKU as of December 31, 2024. Service at WKU does not need to be continuous.
- Actively employed and who currently hold full-time fully budgeted Education and General (E&G) staff positions. This includes positions that may not be identified as "budgeted" (in the FY 2025 Operating Budget), but are nonetheless currently being fully funded by E&G funds.

Ineligible Staff Employees

- Athletic coaches.
- Employees whose positions are funded partially or entirely (100%) by grants or other non-E&G sources.
- Employees having an identified or stated employment period, e.g. contract employee.
- Employees who have previously attained retirement status with the University and/or retired with TRS or KERS who have been reemployed in a full-time position.
- Employees who may have submitted a resignation/retirement notice dated September 2nd, 2024, or earlier related to a future resignation/retirement date and that has been acknowledged in writing by the applicable department head or dean.

Section 10: Re-employment

Approved staff VSIP participants are not eligible for re-employment with WKU in any capacity (full-time, part-time, temporary, occasional, etc.) for one year from separation date. Any future employment at WKU, following the one-year separation date, will be at the Executive Vice President for Strategy, Operations, and Finance's sole discretion and will be limited to part-time positions.

Section 11: VSIP Application Procedure

Eligible staff who are interested in the VSIP must complete an application and a Voluntary Separation Waiver and General Release Agreement to be considered for VSIP.

The VSIP application states that the employee (applicant) is interested in voluntarily separating from employment at WKU effective November 30, 2024, in exchange for the VSIP incentive as described within this plan document.

The application period begins Tuesday, September 3rd, 2024, and continues through Friday, October 18th at 5:00pm (CST). Applications submitted after this deadline will not be considered.

The VSIP application and Waiver and General Release Agreement must be submitted electronically. Applicants will receive electronic confirmation of receipt of their application documents.

Employees who complete an application to participate in the VSIP will be provided a copy of the VSIP Voluntary Separation Waiver and General Release Agreement. Employees who do not complete and submit the Voluntary Separation Waiver and General Release Agreement will not be eligible to participate in the program.

The signing of this document does not guarantee VSIP eligibility or acceptance, and all benefits and incentives are subject to final approval by the University, which reserves the right to review and determine eligibility in accordance with the VSIP Program's criteria, guidelines and stated goals.

A proposed VSIP participant may revoke (withdraw) a previously submitted Voluntary Separation Waiver and General Release Agreement within seven (7) days from the date the agreement is executed. An employee who wishes to withdraw from the VSIP must complete a **VSIP Revocation**

Agreement Form. The Form must be dated and signed by the employee and submitted electronically. The receipt of a valid VSIP Revocation Agreement will result in the immediate removal of the employee from the VSIP program. No incentive (as described in this document) will be provided to the employee. Employees will receive electronic confirmation of receipt of their VSIP Revocation Agreement.

Section 12: Description of VSIP Incentive

Employees who are approved VSIP participants will receive the compensation incentive and benefits as described below:

1. A lump-sum, one-time payment equal to the employee's annualized base salary as of November 30th, 2024.

Note: Base salary does NOT include faculty overload pay, summer pay, stipends, temporary rates/salaries, one-time payments, supplements, or endowed or distinguished professor supplements. For hourly or semi-monthly paid employees, base salary is the calculated annual pay based on the employee's established hourly rate of pay for 1,950 (2,080 for Police) customary hours worked in a fiscal year period.

2. A health insurance allowance for employees who are less than age 65 as of November 30th, 2024.

This allowance is provided to assist VSIP participants with insurance costs before attaining eligibility for Medicare at age 65. Any VSIP participant who is age 65 as of December 1st, 2024, is not eligible for the health insurance allowance described in this section. Health insurance coverage shall be the full responsibility of the employee following separation from WKU.

The VSIP health insurance allowance is calculated for each VSIP participant as follows: \$375 for each month before the month in which the employee attains age 65, as measured from December 1st, 2024. The monthly allowance is calculated in whole months only. The maximum health insurance allowance is \$4,500.

Section 13: Recommended Legal and Financial Consultation

Prior to filing a VSIP application, employees are strongly advised to consult with an attorney of their choosing to carefully review VSIP documents and the legal implications associated with the VSIP. Similarly, employees are advised to consult a financial and/or tax advisor for financial advice prior to enrolling in VSIP.

Section 14: VSIP Payments Made in Error

The University reserves the right to collect from the affected employee or beneficiary any payments awarded in error by mistake of fact or contrary to the terms of the VSIP.

Section 15: Unauthorized Actions Contrary to the VSIP Conditions

No employee, director, officer or official of WKU has the authority to alter, amend or modify the terms of the VSIP. The Provost and Vice President for Academic Affairs and the Executive Vice

President for Strategy, Operations and Finance are the only University officials who are authorized to amend the terms of the VSIP. Any amendments to the VSIP will be communicated to the WKU campus community following the same communication methodology as the initial communication. Any unauthorized written or verbal representations contrary to the terms of the VSIP are invalid and will not be binding on WKU.

Section 16: No Real or Implied Rights of Employment

The VSIP shall not offer real or implied employment rights to any employee. No employee shall retain rights of employment by virtue of the VSIP. Disciplinary action may be taken, as appropriate, against a person who has applied for and been accepted as a VSIP participant just as employees who are not VSIP applicants/participants.

Any employee who is subject to disciplinary action after signing the VSIP agreement, but before the VSIP effective date November 30, 2024, may have the VSIP incentive payment reviewed and potentially suspended until the disciplinary matter is resolved. Termination for gross misconduct may result in forfeiture of the VSIP incentive, subject to the specific circumstances and review outcomes.

Section 17: No Assignment of VSIP Incentive

Eligible employees who are accepted into the VSIP shall not have the right to assign, transfer, pledge or otherwise convey the right to receive the VSIP incentive which are payable under this Program. No such assignment shall be recognized by the University.

Section 18: VSIP Payments to Beneficiary in Case of Death

Should an employee die after the VSIP effective date of November 30, 2024, but prior to the incentive compensation and benefits payment, the entire VSIP incentive will be made to the employee's designated beneficiary in the Waiver and General Release Agreement executed by the VSIP participant.

Section 19: Treatment of Terminal Vacation Pay for VSIP Participants

VSIP participants who accrue vacation leave and who are otherwise eligible for terminal vacation pay will be compensated for their vacation leave in accordance with university policy.

Section 20: WKU Employee Benefit Program Participation for VSIP Participants

VSIP participants retain all rights related to benefit program options at separation from employment on November 30, 2024, as noted in plan documents and university policy. This includes the option for COBRA (continued health plan, dental, vision participation), life insurance conversion, HSA, HRA, FSA and DCFS (dependent care) accounts, as governed by policy and regulations. VSIP participants are advised to consult with a WKU Department of Human Resources, Employee Wellness & Benefits Staff, with any questions about benefits upon separation from employment.

Section 21: Attainment of Retired Status with the Kentucky Employees Retirement System (KERS) or the Teachers' Retirement System (TRS)

VSIP participants who elect to retire from either KERS or TRS must complete the required retirement application process and all other requirements of the respective retirement system in

order to attain retirement status effective December 1st, 2024. WKU is not responsible for any negligent action on the part of any employee to follow the established retirement processes-including providing required documentation (birth certificate, marriage license, etc.) as established by KERS or TRS.

VSIP participants who currently participate in the Optional Retirement Plan (ORP) and having accounts with TIAA, VOYA, VALIC and Fidelity may not be required to file any documentation as a result of VSIP participation. Employees are advised to consult with their respective retirement vendor concerning attainment of retirement status and / or their account.

Section 22: Continued Job Performance after Election and Approval as a VSIP Participant

Employees who elect and who are approved as VSIP participants shall continue to meet job performance standards and all other expectations normally associated with their employment through the VSIP separation date of November 30, 2024. An employee who separates from employment prior to the scheduled separation date of November 30, 2024, for any reason other than in accordance with the terms of the VSIP shall not be eligible for the incentive payment as described in this VSIP document.

Section 23: Return of University Property

All University property (i.e., keys, documents, equipment, technology devices, uniforms, etc.) shall be returned and accounted for by the applicable supervisor on or before the VSIP separation date of November 30, 2024, in order for the VSIP participant to be qualified to receive the incentive pay under the VSIP. In instances where University property is not appropriately accounted for, the incentive pay will be held in suspension until the matter is resolved.

Section 24: Severability

If any provision of the WKU VSIP is deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or controlling law, the remainder of the VSIP shall continue to be implemented and effective.

Section 25: WKU Statement of Non-Discrimination

Western Kentucky University does not discriminate on the basis of race, color, ethnic origin, national origin, creed, religion, political belief, sex, sexual orientation, gender identity/expression, marital status, age, uniformed services, veteran status, pregnancy, childbirth or related medical conditions, or physical or mental disability in admission to career and technical education programs and/or activities, or employment practices in accordance with Title VI and VII of the Civil Rights Act of 1964, Title IX of the Educational Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Revised 1992, and the Americans with Disabilities Act of 1990. The VSIP is offered to all eligible participants on a non-discriminatory basis.

Definition of Terms Used in This Document

Voluntary Separation Incentive Program (VSIP) means a program designed and offered by WKU whereby eligible employees may elect to voluntarily separate from WKU employment on a specified date in exchange for an incentive.

Actively Employed means being actively at work, with the ability to fulfill their assigned duties, on vacation leave, on sick leave, on military leave, on a paid leave of absence, FMLA (Family and Medical Leave Act).

Teachers' Retirement System (TRS) means the state-sponsored defined benefit retirement system in which eligible faculty and staff may participate.

Kentucky Employees Retirement System (KERS) means the state-sponsored defined benefit retirement system in which eligible staff employees may participate.

Optional Retirement Plan (ORP) means the defined contribution retirement plan in which eligible faculty and staff employees may participate with a selected vendor as an alternative to the state-sponsored plan.

VSIP Payments means the direct compensation (pay) awarded to employees who are approved to participate in the VSIP which is effective on November 30th, 2024. VSIP payments will be paid on the last regularly scheduled payroll in January 2025.

Education and General Funding (E&G) means those positions that are funded by the University's general operating budget as funded by the state, tuition revenue and other associated sources.

Grant-funded means a position that is funded by a grant or contract from an agency or entity external to WKU and that is dependent on such source of support throughout the duration of employment.

Full-time means a position in which an employee works the total available hours which equate to 1,950 hours each year or as adjusted based on 9, 10 or 11 month status.

Benefits Eligible means an employee who meets the full-time definition and benefits eligible criteria and who qualifies to participate in retirement, health insurance and other identified benefit programs.

Voluntary Employee Initiated Action means an eligible employee who voluntarily acts, without any coercion, on the VSIP offer and who voluntarily seeks to be approved as a participant.

VSIP Voluntary Separation Waiver and Release Agreement means the document that eligible and approved employees may voluntarily sign and by doing so elect to receive the described compensation associated with the VSIP and who waive any future employment and release the University from any and all claims related to separation from employment.

Annualized Base Salary means the total regular pay that an employee normally receives over an annual or fiscal year period. Base salary does NOT include overtime pay, faculty overload pay, summer pay, stipends, temporary rates/salaries, incentive/bonuses, one-time payments, supplements, or endowed or distinguished professor supplements.

VSIP Administration Responsibilities means those persons identified by WKU as having administrative, operational, and interpretational authority over the VSIP and its implementation. These persons are Dr. Robert Fischer, Provost & Vice President for Academic Affairs and Ms. Susan I. Howarth, Executive Vice President for Strategy, Operations and Finance.