

REQUEST TO APPROVE VOLUNTARY EMPLOYEE SEPARATION PLAN

Recommendation:

Staff recommends approval of the 2015-2016 Voluntary Employee Separation Plan. The plan would be effective for employees who meet the criteria defined in the Plan upon application for separation and acceptance of the application.

Summary:

The Voluntary Employee Separation Plan 2015-2016 (VESP 2015-2016) is proposed for approval as a step toward reducing personnel expenses to benefit the long-term fiscal health of the institution. Prior to asking the District Governing Board to review and approve VESP 2015-2016, the administration conducted research into similar plans enacted at other community colleges nationally. Further, VESP 2015-2016 has been reviewed and approved by the College attorney.



NORTHLAND PIONEER COLLEGE

2015-2016 VOLUNTARY EARLY SEPARATION PLAN FOR FACULTY AND STAFF

The 2015-2016 Voluntary Early Separation Plan for Faculty and Staff (“Plan”) is adopted by Northland Pioneer College (“Employer”), effective January 1, 2015.

1. Purpose of Plan

The purpose of the Plan is to assist faculty and staff members who are actively employed by Employer and want to elect early separation from Employer. Participation in the Plan is totally voluntary on the part of an eligible employee.

2. Eligibility

An employee is eligible for the Plan if the employee satisfies **all** of the following requirements:

- (a) The employee was a full-time employee of Employer in a benefit eligible position as of **January 1, 2015**;
 - This includes full-time employees in benefit eligible positions who are on approved Family Medical Leave Act (“FMLA”) leave as of **January 1, 2015**.
- (b) The employee is a full-time employee of Employer in a benefit eligible position during the entire last semester before the employee’s separation;
 - This includes full-time employees in benefit eligible positions who are on approved FMLA leave as of the date of separation.
- (c) The employee has not submitted a resignation/retirement form with Employer prior to September 1, 2014; and
- (d) As of June 30, 2015, the employee will have:
 - Accumulated 15 years of service in full time benefit eligible positions with Employer, defined as having a contractual relationship for employment with Employer full-time continually since fall semester 2000.

3. Election by the Employee

To apply for early separation under this Plan, an eligible employee must sign the attached Application for Separation and deliver it to Employer’s Human Resources Office. The employee must deliver the signed Application for Separation no later than 5 p.m. on March 10, 2015. By timely delivery of the signed Application for Separation to Employer, the employee is making an offer to separate under the terms of the Plan.

Employer reserves the right to not accept an employee's offer to separate under the terms of the Plan. For example, this may occur in the following situation:

The Employer will accept no more than **25** applications for separation in 2015 from employees. If there are too many applicants, Employer will give employees with more seniority priority when determining which employees may separate under the Plan during 2015. **If any applicant for separation in 2015 is denied a 2015 separation date, the application will be accepted for separation in 2016.**

Employer shall send the employee a letter no later than March 31, 2015, which either accepts the employee's offer to separate or informs the employee that the offer is not accepted. If the employee's application is accepted, the employee's employment by Employer will terminate on **one of the separation dates listed in section 4, below.**

An employee who elects early separation under the Plan is required to sign a Waiver and Release (in the form attached) at the time of the employee's separation. The Waiver and Release includes a waiver of claims (if any) the employee may have against Employer. Each employee is advised to consult an attorney before signing the Waiver and Release. An employee may revoke the Waiver and Release within seven days after the Waiver and Release is signed. The revocation will be valid only if it is in writing and is timely delivered to Employer's Human Resources Office. After the seven-day period, the Waiver and Release may not be revoked by the employee and is legally enforceable.

4. Separation Date

An employee who elects to separate under this Plan shall terminate employment with Employer at one of the following times:

- (a) As of May 9, 2015
- (b) As of June 30, 2015
- (c) As of May 14, 2016
- (d) As of June 30, 2016

No benefits will be paid unless the employee is a full-time employee of Employer in a benefit eligible position during the last semester before the employee's separation.

5. Amount of Benefits

Each employee who voluntarily elects early separation under the terms of the Plan will receive a payment as set forth below:

- (a) **Each employee who separates under this Plan will receive a separation payment either 30% of Base Salary or \$20,000, whichever is higher. The employee may elect to take the separation payment as a lump sum payment or to have it distributed over a 24-month period. Base Salary for the purposes of this Plan is defined as the amount listed on the Employee's current employment contract as base salary. Specifically excluded is any**

additional compensation including, but not limited to: overload, overtime pay, substitute pay or any pay in addition to Base Salary.

6. Payments of Benefits

An employee's benefits shall be paid as soon as administratively feasible after the later of the following:

- (a) The employee's separation date; or
- (b) Fifteen days after the employee delivers the Waiver and Release described in section 3 to Employer's Human Resources Department. However, if the employee fails to deliver the signed Waiver and Release within 30 days after the employee's separation date, the employee shall not be entitled to any benefits under the Plan, unless the employee's separation date is prior to January 21, 2015, in which case employee must deliver the signed Waiver and Release no later than February 27, 2015.

The separation benefit shall be paid to employee in a payroll check and shall be subject to all required tax withholdings. The employee is encouraged to discuss benefit payments under this Plan with the Arizona State Retirement System for a complete understanding of the impact of the payments on retirement benefits.

7. Other Benefits

An employee who voluntarily elects to separate under the Plan shall be treated as having resigned as of the separation date and shall be ineligible for unemployment compensation and other benefits, except for benefits which may be available to retired faculty and staff.

8. Other Employment

An employee who voluntarily elects to participate in the Plan may accept other employment without affecting the employee's eligibility for benefits under the Plan. Employer has no obligation to rehire any employee who voluntarily terminates under this Plan. The employee is encouraged to discuss other employment options with the Arizona State Retirement System for a complete understanding of the impact of continuing to work on retirement benefits.

9. Funding of Benefits

The Plan shall not be funded with a separate trust or escrow arrangement. All benefits shall be paid from Employer's general assets.

10. Plan Administrator

Employer's Director of Human Resources shall be the plan administrator of the Plan. The plan administrator shall have the discretionary power and authority to administer the Plan in accordance with its terms and applicable laws and regulations. The plan administrator shall exercise its authority in a non-discriminatory manner.

The plan administrator's duties include, but are not limited to, the right to interpret the terms of the Plan. Specifically, the plan administrator may decide all questions regarding eligibility for participation, eligibility for benefit payments, and the amount and manner of benefit payments.

11. Appeal Procedure

An eligible employee, or his or her personal representative, may file an appeal in writing under this Plan if the participant believes he or she has been treated unfairly with respect to the Plan or has been improperly denied Plan benefits. A written appeal must be filed with Employer within 30 days of the denial or alleged unfair treatment.

An individual who files an appeal may examine pertinent documents and submit pertinent documents in writing. The individual may also have a representative act on his or her behalf.

Employer will make a full and fair review of the appeal within 60 days and provide written notice as to the decision regarding the participant's appeal. If the appeal has been denied in whole or in part, the written notice shall set forth the specific reasons for the denial. Any decisions by Employer shall be final and conclusive with respect to all questions arising in administering the Plan and shall not be subject to further review.

12. Term of Plan

The Plan shall be effective on January 1, 2015 and shall terminate when all benefits have been paid to each eligible employee who made a timely application to separate under the terms of the Plan. Nothing in this document shall be construed to require Employer to offer early separation in any subsequent years.

13. Spendthrift Provision

No benefits under this Plan may be sold, transferred, assigned, or encumbered. Any attempt to sell, transfer, assign, or encumber the benefits shall be void.

14. Governing Law

To the extent it is not preempted by Federal law, this Plan shall be governed in all respects by the laws of the State of Arizona.

15. Signature

Employer has signed this 2015-2016 Voluntary Early Separation Plan for Faculty and Staff on the date stated below.

NORTHLAND PIONEER COLLEGE

Date: **January __, 2015**

By _____
President

NORTHLAND PIONEER COLLEGE
2015-2016 VOLUNTARY EARLY SEPARATION PLAN FOR FACULTY AND STAFF

APPLICATION FOR SEPARATION

To apply for the 2015-2016 VESP, you must complete this Application and return it to the Human Resources Office no later than 5:00 p.m. on March 10, 2015.

Please print: _____

Name: _____ Date: _____

Address: _____
(No.) (Street) (City) (Zip Code)

Hire Date: ____/____/____

Employee Group: _____

Current Employment Position: _____

Phone Number: _____
(Office) (Home)

By completing and submitting this Application, I am requesting to participate in the 2015-2016 VESP.

- I understand that, by submitting this Application, I am making an offer to voluntarily and permanently terminate my employment with Employer.
- Employer will send me a letter which either accepts my offer or informs me that my offer is not accepted. If my offer is accepted, I understand that my employment with Employer will terminate on one of the dates listed in Section 4 of the Plan document.
- I understand that the 2015-2016 VESP requires that I sign a Waiver and Release, which includes a binding waiver of any claims against Employer, as a condition of receiving any benefits under the 2015-2016 VESP.
- My preferred separation date will be _____. I understand that Employer has limited the number of employees who may select this date and that Employer will use seniority in a full-time benefited position with Employer as the method to determine the 25 employees who may separate under the terms of this agreement in 2015 if the number of applicants exceeds that number. If I am not selected to separate in 2015 under the terms of this agreement, my separation date will be in 2016. (See list of potential dates in Section 4 of the Plan document.)

Employee Signature	Date
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☐ Approved Expected Separation Date: _____, 20____

☐ Not Approved Reason(s): _____

Authorized Signature	Date
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