

VOLUNTARY SEPARATION PROGRAM

PROCEDURES

General

The Voluntary Separation Program is established for partial or total separation from active employment with the College from the ages of 55 to 64. The program guidelines are identified herein.

Definition of Terms

1. "Program" shall mean the Northeast Community College Voluntary Separation Program as herein set forth and may be amended by the Board of Governors.
2. "Participant" shall mean any employee who participates in the Program and who is employed by Northeast Community College half-time or more.
3. "Salary" shall mean the annual base contract salary of the employee during the last fiscal year as a full-time employee. Extended contracts, co-operative education extensions, summer school contracts, coaching stipends, etc. are excluded from the base salary. Hourly employees base contract salary shall be computed by taking their hourly wage time 2080 hours.
4. "Election year" shall mean the contract year the employee last works half-time or more.
5. "First participation year" shall mean the first fiscal year after the election year; fiscal year is July 1 - June 30.
6. "Years of service" shall mean each employment contract year of half-time or more completed by the employee at the College. This includes years of service at predecessor colleges of Northeast Community College. Approved leaves of absence shall not be used in determining total years of service. Years of service shall include years of employment through the completion of the election year.
7. "Stipend" shall mean the total amount to be paid to the employee as a result of the employee being approved for the Voluntary Separation Program.
8. "Approved applications" shall mean those which have met all criteria set out herein.

Program Eligibility

1. Only employees working at half-time or more and who are enrolled in the College regular retirement plan (TIAA/CREF) may participate in the Voluntary Separation Program.
2. Eligible employees must be at least fifty-five (55) years of age and no more than sixty-four (64) years of age on the first day of the first participation year (July 1 for Administrative, Professional/Managerial, and Classified Staff; September 1 for Faculty) with a minimum of 15 years of service to the College (excluding any approved leaves of absence).
3. Employees receiving long-term disability benefits are not eligible to participate in this program.
4. Employees on leave of absence are not eligible to participate in this program.
5. Employees whose current employment is provided in part or in total by a contract with an outside agency may not be eligible for the Voluntary Separation Program. This will be administratively determined at the time of hire or reappointment.

Application

Applications for the Voluntary Separation Program shall be made by completing a Voluntary Separation Program Application form during the employee's election year. The application form shall be submitted by the employee to the Human Resources Office no later than December 1 of the election year unless such date is waived by the President for just cause. The number of applicants allowed to participate in the program shall be limited to the retirement funds made available by the Board of Governors each fiscal year. If the number of applications exceeds available funds in the fiscal year, the following criteria listed in priority ranking shall be used in the determination of which applications shall be accepted:

1. Greatest number of years of service to the College.
2. First date of employment at the College.
3. The date and time the application is received by the Human Resources Office.

Notification of approved or denied applications for the Voluntary Separation Program shall be made to the employee by the Human Resources Office no later than February 1 of the election year. Approval of an employee's application for the Voluntary Separation Program will be considered a voluntary resignation and termination of the employee's continuing contract.

The final decision on all applications for Voluntary Separation will be made by the Board of Governors on the recommendation of the President.

Calculation of Stipend Schedule

Employees who elect to participate in this program will be eligible to receive a stipend equal to 6.5 percent of their regular annual base salary received during the election year, multiplied by the number of full years of employment at half time or more up to a maximum of 20 years multiplied by the percentage factor identified below:

Ages 55 - 58: 100% of stipend

Ages 59 - 61: 75% of stipend

Ages 62 - 63: 50% of stipend

Age 64: 25% of stipend

(The maximum stipend available to an employee age 55-58 with 20 years of eligible service shall be 130% of the employee's last fiscal year's base salary; $6.5\% \times 20 \text{ years} \times 100\%$.)

The calculation of stipend schedule is based upon the age attained on the first day of the first participation year (July 1 for Administrative, Professional/Managerial and Classified Staff; September 1 for Faculty).

Payment of Stipend

The stipend shall be paid using one of the following elections:

1. A single payment in the first month of the first participation year. (July for Administrative, Professional/Managerial and Classified Staff; September for Faculty)
2. A single payment in January of the first participation year.

3. A five-year uniform monthly payment plan with the first payment beginning in the first month of the first participation year. (July for Administrative, Professional/Managerial, and Classified Staff; September for Faculty)
4. A one-year uniform monthly payment plan with the first payment beginning in the first month of the first participation year. (July for Administrative, Professional/Managerial, and Classified Staff; September for Faculty)

Applicable taxes and other withholdings shall be deducted from each payment.

Health Insurance

Eligible employees electing to participate in this program may continue health insurance coverage through the provisions of the COBRA law. Premium costs shall be paid by the individual directly to the College's insurance carrier. The insurance carrier determines specific terms, conditions, and coverages.

Death Benefit

In the event of the death of a participant on or after the effective date of the executed Voluntary Separation Program Agreement form, any unpaid balance of the stipend shall be paid in a final lump sum payment.

Other Employee Benefits

All employee benefits, including health, life and disability insurance coverage and TIAA/CREF contributions, provided to employees by the College shall terminate at the completion of active employment. Participants in the Voluntary Separation Program are not considered employees of the College and are not eligible for any benefits other than those specifically provided under this program.

Other Program Provisions

1. The College may utilize participating individuals for part-time instruction up to six credit hours per semester or up to ninety days per year as consultants or other related work with the compensation to be determined by established pay rates for persons performing that duty.
2. Retired employees and spouses shall be eligible for tuition-free classes on a space available basis as long as this provision remains a part of this agreement and a part of the compensation package available to all full-time college employees.

3. The program will be reviewed annually for possible modification. Any such modification shall not affect employees previously participating in the program.
4. Any situation not covered by these guidelines shall be processed in an expedient manner by the College Administration for individual consideration by the Board of Governors.

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