

Covid-19 Related Voluntary Separation Program (CRVSP)

Program Description

UC Berkeley

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A. Purpose

In response to the financial impact from Covid-19 to the campus, we are offering this program as an option for eligible employees to assist with the overall campus budget predicament.

To support the University of California, Berkeley's effort to make strategic staffing changes, we are asking managers and leaders to look critically at their organization and consider vacating positions that no longer meet their operational needs. This program offers non-represented employees who are considering ending their employment with the university an opportunity to volunteer to be considered for separation by **10/31/2020** under this Voluntary Separation Program (VSP).

B. Eligibility

Non-represented, full-time or part-time, non-probationary PPSM career staff employees (including PSS and MSP) without end dates, including employees on approved leaves are eligible, **except** as follows:

1. An employee in the Senior Management Group (SMG),
2. An employee in the Managers and Senior Professionals (MSP) group above the Manager 3 (M3),
3. An employee currently receiving retirement benefits from the University of California Retirement Plan (rehired retirees),
4. An employee who, prior to **10/31/2020**, is entitled to separation or severance pay under another arrangement, agreement or settlement with the University that is not part of the CRVSP.

The University of California, Berkeley has the sole and discretion to determine eligibility criteria and selection for participation.

Eligibility for represented employees

Participation by represented employees is subject to collective bargaining. The campus is contacting employee unions and will announce eligibility as it becomes available.

C. Timing

1. The CRVSP will be in effect from **7/20/2020** through **9/24/2020**.
2. The Application Period is **7/20/2020** through **9/10/2020** at 5:00 PM.
3. Employees may withdraw their application any time prior to **9/10/2020**.
4. Final decisions will be made by **9/24/2020**.
5. The effective date of separation shall be **10/31/2020**.

D. Application Process

1. Applications are submitted to People & Culture.
2. Applications will be considered in the order in which they are received.

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3. Human Resources will notify managers of units where employees have volunteered to be considered for the CRVSP and will work with the managers as they determine whether or not the application can be accepted.

E. Consideration process

1. Consideration will be based on the operational needs of the unit as determined by the manager. Some units may provide additional review before final decisions are made.
2. The manager's decision is not subject to grievance under PPSM 70.
3. The University has the sole discretion to determine eligibility criteria and selection for participation in the CRVSP.

F. Severance Pay and Benefits

1. Severance payments are not be considered covered compensation for UCRP purposes.
2. No individual severance payment granted under the program can exceed \$150,000. Any severance payment of \$100,000 to \$150,000 must be approved by the University of California President.
3. For non-represented employees, consistent with current policy the CRVSP entitles the employee to severance pay based on classification as follows:
 - a. Professional and Support Staff (PSS) appointments will receive severance pay in the amount of one (1) week's pay (annual base salary divided by 2088 hours X 40 hours) for each full year of service up to a maximum of 16 weeks' pay.
 - b. Managers (at or below the M3 level) and Senior Professionals (MSP) will receive severance pay in the amount of one (1) month's pay (1/12 of annual base salary) for each full year of service up to a maximum of six (6) months' pay.
4. For represented employees, the severance amount will be based on allowable amounts as determined by the appropriate collective bargaining agreement under the layoff provisions or by local agreement.
5. Any severance payment due to an Electing Participant will be paid in a single sum following separation from employment and delivery of a signed release.
6. The University will withhold appropriate federal and state income and employment taxes from severance payments.
7. To be entitled to severance pay, an employee must separate from employment on **10/31/2020**. However, severance payments may be paid after **10/31/2020**.

G. Approval requirement

1. Any individual severance payment above \$100,000 must be approved by the appropriate President.

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2. Such severance payment will not be paid until after the appropriate approval has been obtained.

H. Requirements for managers

1. Managers must receive written approval from their Division Leader or Vice Chancellor prior to accepting a voluntary separation under this program.
2. Managers who decide to accept a voluntary separation may not fill the same position for at least 18 months in order to generate the funds needed for the severance program and savings toward budget reductions, *unless an exception is requested per #3 below.*
3. During the **18** month “No Re-Fill” period, and under applicable hiring freeze restrictions, managers may request an exception, after **12** months have elapsed, through the Hiring Freeze Exception Request Process to fill the position if (a) the vacant position is part of a restructuring plan that achieves a net reduction in positions or (b) other exceptional relief is warranted.
4. After **18** months, requests to fill the position are subject to the requirements of any hiring freeze that may be in effect.

I. Requirements for employees

1. Program participants understand and agree that they will only be eligible for severance payments as described in the section on **Severance Pay and Benefits** and waive rights to seniority-based reassignment provisions or preferential rehire or recall benefits.
2. Participants agree that the effective date of their separation will be **10/31/2020**.
3. Participants understand that any future employment with the University will be governed by the employment procedures in effect at the time.
4. Reemployment: Participants agree they will not be reemployed for a period of 3 years (36 months) from their separation date under the CRVSP:
 - by any University of California location including labs, medical centers and Office of the President.
 - in any appointment type
 - at any percentage of time
 - in any classification.
5. Employment includes any relationship with UC for which compensation is paid to the individual via the University payroll system, including but not limited to all career appointments (regardless of percentage of time), limited, floater and contract appointments, full or part-time.
6. Those who subsequently retire may consider returning as a rehired retiree subject to the conditions of the University’s policy on *Reemployment of UC Retired Employees into Senior management Group and Staff Positions*,

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7. Employees who subsequently retire are eligible to participate in this plan. Whether or not one retires after leaving university employment does not prevent participation in this program. However, the retired UC employee is subject to the restrictions in sections **Requirements for Employees** and **Repayment of Severance**; and, the restrictions in the UC policy on Rehiring of Retirees.
8. Participants understand and agree that, should they become re-employed by any entity of the University of California prior to the completion of the 3 year period, the participant will be required to make repayment to the Berkeley campus of a portion of the severance payment, explained below, prior to accepting any employment. The employee understands that if he or she fails to submit the reimbursement, at the sole discretion of the University the employee may be terminated from the new position and that termination will not be reviewable in any forum.
9. In order to be eligible for the benefits provided under the CRVSP the Electing Participant must continue to perform as a satisfactory employee until the date of separation.

J. Repayment of Severance

1. Repayment Amounts

It is not anticipated that employees will return to UC employment for three years per the section on **Requirements for Employees**. However, in the exceptional circumstance that an Electing Participant returns to any employment at the University during the 3 years following separation under the CRVSP, repayment of severance to the University is required as a condition of employment in accordance with the below provisions, provided that the amount retained by the employee is at least \$1000, which the Electing Participant may retain as consideration for signing the release of claims. If the amount retained by the employee would be less than \$1000, then the employee repays only that portion of the payback amount that allows the employee to retain \$1000.

- If reemployment occurs within 1 – 12 months after separation, the entire amount of the severance received must be repaid, less \$1000 for the release of claims pursuant to a payment plan. .
- If reemployment occurs within 13 – 24 months after separation, 50% of the severance received must be repaid, provided that the amount retained from the original lump sum payment by the employee is at least \$1000 for the release of claims. If not, then all but \$1000 of the severance must be repaid.
- If reemployment occurs within 25 – 36 months after separation, 25% of the severance received must be repaid, provided that the amount retained from the original lump sum payment by the employee is at least \$1000. If not, then all but \$1000 of the severance must be repaid.

Examples:

- An Electing Participant who receives \$1500 severance and is reemployed by UC after 6 months will be required to repay \$500 ($\$1500 - \$1000 = \500).

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- If reemployed after 18 months, \$500 must be repaid ($\$1500 \times 50\% = \750 , but \$1000 total is to be retained for consideration. Therefore, \$250 is deducted from the \$750 to arrive at the \$1000 to be retained, leaving \$500 to be repaid).
- If reemployed after 30 months, \$375 must be repaid.
- If reemployed by UC at any time after 3 years after separation none of the severance is repaid.

IRS regulations determine if the repayment amount is the net or gross amount of the severance payment received, depending upon whether the repayment is made in the same year (net amount due) or a subsequent year (gross amount due).

2. Repayment Options

In accordance with existing payroll policy (Accounting Manual, Receivables Management R-212-2, Appendices III-VI), the following repayment options are available: ▪ Payment in full;

- Monthly installments by personal check or money order (requires approval of a repayment schedule); or
- Installments by payroll deduction (requires approval of a repayment schedule).

K. Calculating Severance

1. Service for purposes of calculating severance is based on full-time equivalent months of University employment service as reflected in the University's records and is determined at the sole discretion of the University.
2. Employment prior to a break in service is not counted as service.
3. Only full years of service will count toward the calculation of severance pay.

L. Release

To receive the severance payments, an Electing Participant must terminate employment and sign a release of claims, a sample of which will be made available on **7/20/2020**.

1. An Electing Participant who is age 40 or over at the date of separation must be given at least 52 calendar days to consider and sign the release of claims, including claims under the *Age Discrimination in Employment Act*, and accept the offer of severance pay. The Electing Participant must be given seven (7) days after signing the release of claims to revoke the release and refuse the acceptance of severance pay. Severance is to be paid after the later of (a) the end of the seven (7) day revocation period, or (b) the Electing Participant's separation date.
2. An Electing Participant who is under age 40 must sign a general release of claims in order to receive payment of severance after separation from employment. The Electing Participant must be given at least 14 calendar days to consider the release.

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M. Health and Welfare benefits Coverage

The University's normal contribution (if applicable) for the approved participant's medical, dental, vision, wellness and Basic Life insurance coverage will continue through the end of the month following the date of separation. The approved participant's coverage will terminate on this date unless he or she elects COBRA coverage or is eligible for retiree health and welfare benefits under the University's programs, in which case the terms of the retiree programs shall be applicable.

In accordance with COBRA requirements, the approved participant may continue medical, dental, wellness, vision, or health FSA coverage at the applicable COBRA group rates. These premiums must be paid monthly by the approved participant in order to continue coverage. In addition, the approved participant shall have thirty-one (31) calendar days from the end of coverage to convert legal, life, and AD&D to individual plans at his or her expense or elect portability for basic, supplemental and/or dependent life insurance coverage.

An approved participant's Short-term and Supplemental disability insurance terminates on the last date of University employment and may not be continued or converted.

For additional information on COBRA requirements, employees should contact the Benefits Office.

N. No Right to Continued Employment

The CRVSP does not grant or create any right to continued employment and any pre-existing rules, policies or agreements regarding the employment of approved participants continue to apply.

O. Amendment and Termination

The University may amend or terminate the CRVSP at any time and for any reason before any payments are made under the **Release** section. The CRVSP shall automatically terminate effective **10/31/2020**.

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Step #	Step	Start Date	End Date
1	Announce VSP Guidelines/Program	20-Jul	20-Jul
2	Employee submits Application Form to P&C	20-Jul	10-Sep
3	P&C Confirms Eligibility and Calculates Severance Amounts	10-Sep	15-Sep
4	P&C sends email Notice of Eligibility or Non-Eligibility	15-Sep	16-Sep
5	P&C sends eligible applicants to "Division Heads" for Approval (includes cost with copy to CUA & Region HR Manager)	16-Sep	16-Sep
6	P&C sends >\$100,000 applicants go to UCOP for Presidential Approval	16-Sep	16-Sep
7	President & Division Heads send approval decisions to P&C	16-Sep	24-Sep
8	P&C sends Employee Letter for final signature	24-Sep	1-Oct
9	Employee submits signed letter to P&C	1-Oct	15-Oct
10	7 Day waiting period for employees to change their mind.	15-Oct	22-Oct
11	Supervisors sign-off on final timecards in Caltime	22-Oct	29-Oct
12	P&C submit file to UCPath	29-Oct	4-Nov

Effective Date of separation 10/31
Date of payout to employee (TBD)