

# UC Berkeley (UCB) Voluntary Separation Program 2021 (VSP 2021) Program Guidelines

## A. Purpose

In response to the financial impact of the COVID-19 pandemic to the campus, UCB is offering a second round of the VSP 2021 as an option for eligible employees to assist with the overall campus budget predicament.

To support UCB'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 staff employees who are considering ending their employment with the University an opportunity to volunteer to be considered for separation on **5/15/2021** under this VSP 2021.

## B. Eligibility

The University has sole discretion to establish eligibility criteria for the VSP 2021 and for determining selection for participation.

Full-time or part-time, regular status employee, this includes policy-covered and represented (covered by a collective bargaining unit that has opted-in) employees, and those employees on approved leaves, **except** as follows:

- A. An employee in the Senior Management Group (SMG),
- B. An employee in the Management/Senior Professionals (MSP) group above the Manager 3 (M3),
- C. A rehired retiree employee currently receiving retirement benefits from the University of California Retirement Plan (UCRP),
- D. An employee who, prior to 5/15/2021, is entitled to separation or severance pay under another arrangement, agreement or settlement with the University that is not part of the VSP 2021,
- E. Academic appointees,
- F. An employee in a represented position whose union has not agreed to participate in this program,
- G. An employee that has filed retirement paperwork with RASC prior to 2/8/21.

See VSP 2021 [FAQs](#) for additional information related to eligibility criteria for this program.

## C. Timing

1. The VSP 2021 will be in effect from **2/8/2021** through **5/15/2021**.
2. The Application Period is **2/8/2021** through **3/31/2021** at 5:00 PM (PST).
3. Employees may withdraw their application any time prior to **3/31/2021**.
4. Final decisions will be made by **4/14/2021**.
5. Signed Release of Claims due to People & Culture VSP team by **4/30/2021**
6. The effective date of separation shall be **5/15/2021**.

## D. Application Process

1. Applications are submitted to People & Culture VSP team through the online Application Form.
2. Applications will be considered in the order in which they are received.
3. People & Culture will notify managers of units where employees have volunteered to be considered for the VSP 2021 and will work with the managers & Division Heads as they determine whether or not the application can be accepted.

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**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 VSP 2021.

**F. Severance Pay and Benefits**

1. Severance payments are not 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. Severance pay calculations will be based on the Electing Participant's rate of pay as of **1/1/2021**.
4. Service for purposes of calculating severance is based on full-time equivalent months of University employment and is determined at the sole discretion of the University. Time on pay status prior to a break in service is not counted. Only full years of service are counted toward the calculation of severance pay.
5. VSP 2021 entitles the Electing Participant's to severance pay according to employment classification as follows:
  - a. Professional and Support Staff (PSS) and Represented (covered by a bargaining union) staff 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 and Senior Professionals (MSP) staff (at or below the M3 level) 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.
6. 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 of claims form.
7. The University will withhold appropriate federal and state income and employment taxes from any severance payment due. A payroll earn code of "VTS" has been established in UCPath for paying severance in accordance with these guidelines.
8. To be entitled to severance pay, an Electing Participant must separate from UC employment on **5/15/2021**. However, severance payments may be paid after **5/15/2021**.

**G. Approval Requirement**

1. Any individual severance payment above \$100,000 must be approved by the UC President.
2. Such severance payment will not be paid until after the appropriate approval has been obtained.

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**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 Electing Participants**

1. Electing 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. Electing Participants agree that the effective date of their separation will be **5/15/2021**.
3. Electing Participants understand that any future employment with the University will be governed by the employment procedures in effect at the time.
4. Reemployment: Electing Participants agree they will not be reemployed for a period of 3 years (36 months) from their separation date under the VSP 2021:
  - by any University of California location including labs, medical centers and Office of the President.
  - in any appointment type
  - at any percentage of time; or
  - in any classification.
5. Employment includes any relationship with the Electing Participant and UC for which compensation is paid to the individual via the University payroll or any other UC payables or accounting system, including but not limited to: all career appointments (regardless of percentage of time), limited, floater and contract appointments, full or part-time, rehired retirees in accordance with Regents Policy 7706, and Academic Personnel Manual policies as applicable.
  - a. An Electing Participant should not be reemployed as an independent contractor or independent consultant in order to circumvent these guidelines and repayment of severance.
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*,
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

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program. However, the retired UC employee is subject to the restrictions in sections **Requirements for Electing Participants** and **Repayment of Severance**; and, the restrictions in the UC policy on Rehiring of Retirees.

8. Electing 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 Electing 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 Electing Participant understands that if they fail to submit the reimbursement, at the sole discretion of the University the Electing Participant 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 VSP 2021 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 Electing Participants will return to UC employment for three years per the section on **Requirements for Electing Participants**. However, in the exceptional circumstance that an Electing Participant returns to any compensated employment at the University during the 36 months following separation under the VSP, repayment of a portion of severance to the University is required as a condition of employment in accordance with the provisions below, provided that the amount retained by the Electing Participant is at least \$1,000, which the Electing Participant may retain for signing the release of claims form. In no case will the amount retained by the Electing Participant be less than \$1,000.

- If reemployment occurs within 1-12 months after separation, the entire amount of the severance received must be repaid, less \$1,000 for the release of claims.
- If reemployment occurs within 13-24 months after separation, 50% of the severance received must be repaid, provided that the amount retained by the Electing Participant from the original lump sum payment is at least \$1,000.
- If reemployment occurs within 25-36 months after separation, 25% of the severance received must be repaid, provided that the amount retained by the Electing Participant from the original lump sum payment is at least \$1,000.

IRS regulations determine if the repayment amount is the net or gross amount of the severance payment received. If the repayment is made in the same year that the overpayment occurred, then the net (of withheld taxes) is the amount due. If the repayment is made in a subsequent year(s) the gross amount less the Electing Participant's share under the Federal Insurance Contribution Act (FICA) is the repayment amount.

Examples:

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

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severance is repaid.

**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. 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 **2/8/2021**.

1. An Electing Participant who is age 40 or over at the date of separation must be given at least 45 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 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 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.

**L. Health and Welfare Benefits Coverage**

The University's normal contribution (if applicable) to the Electing Participant's medical, dental, vision, and Basic Life insurance coverage will continue through the last day of the last month for which premiums are paid. Coverage will terminate on this date unless the Electing Participant elects COBRA coverage or is eligible for retiree health and welfare benefits under the University's programs, in which case the terms of COBRA or the retiree programs are applicable.

In accordance with COBRA requirements, the Electing Participant may continue medical, dental, vision, or health FSA coverage at the applicable COBRA group rates. These premiums must be paid monthly by the Electing Participant in order to continue coverage. The Electing Participant should contact their local Benefits Office for additional information on COBRA requirements.

The Electing Participant will have 31 calendar days from the end of coverage to convert Medical Plans, Life Insurance, AD&D Insurance and Legal Plans to individual plans or elect portability for Supplemental Life Insurance, Basic and Expanded Dependent Life Insurance and Supplemental Health Plans. Continuation through conversion or portability is done at the Electing Participant's expense.

An Electing Participant's Disability Insurance and Dependent Care FSA terminates on the last date of University employment and may not be continued, converted, or ported. Home/Auto Insurance and Pet Insurance terminates at the end of the policy contract year when termination occurred. At the end of the policy contract year, the Electing Participant may continue Home/Auto Insurance and Pet Insurance by contacting the vendors to request a continuation of coverage on an individual basis at the Electing Participant's expense.

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For additional information on COBRA requirements, Electing Participants should review the [Termination of Employment Benefits packet](#) and contact the Benefits Office.

**M. No Right to Continued Employment**

The VSP 2021 does not grant or create any right to continued employment and any pre-existing rules, policies or agreements regarding the employment of approved Electing Participants continue to apply.

**N. Amendment and Termination**

The University may amend or terminate the VSP 2021 at any time and for any reason before any payments are made under the **Release** section. The VSP 2021 shall automatically terminate effective **5/15/2021**.

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<b>VSP 2021 Timeline</b>	
Application Form Opens	2/8/2021
Application Form Closes	3/31/2021, 5 PM PST
Division Heads Final Decisions	4/14/2021
Approved VSP Participants Receive Separation Packet/Release of Claims	4/16/2021
Participants Return Separation Packet/Release of Claims	4/30/2021
If applicable, 7-day revocation period concludes	5/7/2021, 5 PM PST
Timesheets Due	MO: 5/10/2021, BW: normal deadlines
Final Paycheck Date (Regular Wages + Vacation Pay)	MO: 6/1/2021, BW: 5/26/2021
Severance Paycheck Date	on or before 5/14/21

MO=Monthly Paid

BW=Biweekly Paid