

**Frostburg State University
Exempt Bargaining Unit Staff
Voluntary Separation Program Summary**

Purpose:

The Frostburg State University (University or Frostburg) Voluntary Separation Program (VSP) is an offer to provide a financial incentive for certain eligible University employees to separate from employment with the University. Participation in the VSP will require eligible employees to separate from employment with the University on or before February 28, 2022. Participation in the VSP is voluntary.

Eligibility:

The VSP is available to full-time exempt and non-exempt staff, excluding sworn police officers, who meet the VSP eligibility requirements. Members of the University President's Cabinet are excluded from participation due to conflict of interest. If you have questions regarding your eligibility, please contact [Lisa Hersch \(Lidhersch@frostburg.edu\)](mailto:Lidhersch@frostburg.edu) or [Lee Ann Nightingale \(Inightingale@frostburg.edu\)](mailto:Inightingale@frostburg.edu) in Human Resources.

Exempt staff: To be eligible the employee must be at least 59 years old on or before January 31, 2022 and have age plus years of State Service (as defined below) that equals 80 as of that date; provided that a staff member who has received a notice of termination, layoff, or charges for removal prior to November 15, 2021 shall not be eligible, nor shall an employee who on or before November 15, 2021 has entered into a written agreement to separate from employment with the University. A staff member who, on or before November 15, 2021; (i) has provided a written resignation to the University or (ii) has submitted an application for retirement shall not be eligible to participate in the VSP.

State Service: For purposes of determining eligibility to participate in the VSP, "State Service" is defined differently than for other purposes such as retirement or retiree health benefits. The following rules will be used to compute State Service to determine eligibility for the VSP:

1. A year of full-time employment as a non-contractual, regular employee as a staff/faculty member of:
 - a. The University
 - b. Any other State of Maryland public higher education institution or entity; or
 - c. Any other agency or entity of the State of Maryland, provided that the employee was a participant in the State Employees/Teachers Retirement Systems, the State Employees/Teachers Pension Systems (including reformed, alternate, and contributory systems), the Optional Retirement Program, or a police retirement or pension program offered by the State of Maryland during such period of employment.

Note, that employment by any public community college or regional community college, or any kindergarten-Grade 12 school system will not count as State Service for purposes of this VSP.

2. An employee will be credited with one year of State Service for each full year of full-time eligible employment.

The VSP may be entered into voluntarily by the employee signing and submitting to the University Office of Human Resources, the Frostburg State University Exempt and Non-Exempt Voluntary Separation Program Application, Agreement & Release and Waiver of Employment Rights to participate, as well as the approval of the application by the University President. The employee can revoke their Application, Agreement & Release and Waiver of Employment Rights for seven (7) days after they have been notified that the President has approved the application

Timeline for the Program:

VSP Period: The VSP period (window) is November 15, 2021 to February 28, 2022.

Application Period: A defined application period will be open to the eligible employees beginning November 15, 2021 and ending January 10, 2022 at 5:00 PM. To apply for the VSP, an eligible employee must:

- (1) Complete the Frostburg State University Exempt and Non-Exempt Voluntary Separation Program Application, Agreement & Release and Waiver of Employment Rights (the Application, Agreement & Release); and
- (2) Submit the completed, signed and witnessed Application, Agreement & Release to Lee Ann Nightingale, Human Resources 325 - Hitchins Building **no later than 5:00 p.m. on January 10, 2022 AND receive a written receipt acknowledging that the completed Application, Agreement and Release has been submitted.**

No other method or form of application will be accepted. Individual employees who are eligible and wish to participate in the VSP must follow the VSP application process. If a VSP participating employee chooses to retire, that employee must also follow the normal retirement application process which is separate from the VSP. **All applications MUST be submitted to Lee Ann Nightingale, Human Resources 325 - Hitchins Building no later than 5:00 p.m. on January 10, 2022 AND the employee must receive a written receipt from the Office of Human Resources acknowledging the timely receipt of his or her Application, Agreement & Release.**

Approval: On or before January 17, 2022, the University will advise the employee by written or electronic communication whether the President has approved the employee's Application, Agreement & Release for voluntary separation. Only the President of the University has the authority to approve an application on behalf of the University. The University retains the right to limit 1) the total number of applications approved; and 2) the number of applications approved in a particular department, work unit or job category.

In that event, the University will make the determination based upon the order in which applications were received by the University, as well as the needs of the University.

Revocation Period: An employee who has applied to participate in the VSP may revoke his/her Application, Agreement & Release during the seven (7) calendar days following the date the employee receives notice that the President has approved the employee's participation (Revocation Period). Revocation must be made by notifying Lee Ann Nightingale, Human Resources room 325 Hitchins Building, email lnightingale@frostburg.edu in writing or by electronic communication during this seven (7) day period.

Separation Date: An employee who has been approved by the President for participation in the VSP and who does not revoke his or her Application, Agreement & Release prior to the end of the Revocation Period will be separated from employment with the University as of 11:59 p.m. on February 28, 2022. If the employee chooses, the employee may submit a separate letter of resignation or intention to retire to the University, but the letter is not required and will not change the terms and conditions of the employee's participation in the Voluntary Separation Program or the employee's separation from employment as of 11:59 p.m. on February 28, 2022. With the written agreement of the President, an employee may separate from employment with the University earlier than February 28, 2022 and participate in the Voluntary Separation Program, provided that the employee meets the eligibility criteria prior to the date of separation from employment.

VSP Incentive Severance Payment:

The University agrees to make an incentive payment on behalf of each employee who has been approved for participation in the VSP (Incentive Payment) equal to:

- (1) \$600 for each year of Frostburg State University full-time non-contractual employment up to \$15,000 for employees with base salaries over \$50,000, up to \$16,500 for employees with base salaries between \$40,000 and \$50,000, or up to \$18,000 for employees with base salaries below \$40,000.
- (2) Employees with 40 or more years of service shall have the above limits increased by \$200.00 total (Not \$200.00/year).
- (3) 40% of the employee's base salary (calculated on a full-time basis) as of November 15, 2021. This will be calculated by multiplying the full-time salary for the employee's position by the employee's percentage of full-time employment as of November 15, 2021.

The Incentive Payment will be made as post-severance contributions to the employee's account under the University System of Maryland Supplemental 403(b) Retirement Plan (the Supplemental 403(b) Plan) in three installments. The first contribution (25%) will be made between March 1, 2022 and April 30, 2022, the second contribution (25%) will be made between July 1, 2022 and August 31, 2022, and the third contribution (50%) will be made between July 1, 2023 and August 31, 2023.

If employee does not have a Supplemental 403(b) account, Human Resources will work with the employee to establish an account under this plan. If contribution of half of the Incentive Payment would exceed

permitted maximum contributions under federal tax law in either 2022 or 2023, the University will make such contributions in the earliest year in which the contribution is permitted without exceeding the tax limits.

Through December 31 in the last year in which the University makes a contribution to the employee's Supplemental 403(b) Plan account as part of the Incentive Payment, the participating employee will not be eligible for reemployment with the University or employment with any University of Maryland institution or any State of Maryland agency or entity, including, but not limited to being: an employee, temporary employee, independent contractor, consultant, or employee of a University contractor. Such employment or contractual arrangement will make the participating employee ineligible for participation in the Voluntary Separation Program and end the University's obligation to make any incentive payment on behalf of the participating employee.

Should the participating employee die before the University has completed its obligations to make the full Incentive Payment, the University's obligations to make any further contributions to the employee's 403(b) account will end effective on the date of the employee's death, consistent with the federal tax requirements.

The agreement to participate in the Frostburg State University Voluntary Separation Program is binding upon signature of the Application, Agreement & Release by both the participating employee and Frostburg's President, and the expiration of all legally mandated revocation periods. Each employee is encouraged to consult his or her attorney and financial advisor regarding participation in the VSP.

Please see Attachment A for a list of all positions within the employment category eligible for participation in the VSP, the ages of employees in such positions and how many employees in each one-year age band are eligible for participation in the VSP.

Should you have any questions about the VSP, including the calculation of your State Service as defined for purposes of the VSP, please contact Lisa Hersch, Human Resources 325 - Hitchins Building, email ldhersch@frostburg.edu as soon as possible to schedule an appointment.