I. **PURPOSE:**

The purpose of the Voluntary Separation Incentive Program (VSIP) is to implement limited-time separation incentives to eligible UW-Platteville employees, as authorized by the Chancellor, in order to achieve specific institutional objectives. These objectives include:

A. Reducing salary, wage and benefit costs in anticipation of imminent funding challenges,

B. Redirecting the allocation and appointment of positions at the University to the Chancellor in order to focus the allocation and appointment of positions on the University’s priorities and changing needs on a strategic basis, to ensure the fulfillment of the University’s mission on a continuing basis into the future,

C. To the extent possible, and in the context of the long-term fulfillment of the University’s mission, minimize the scope and/or number of involuntary terminations.

II. **ELIGIBILITY CRITERIA AND LIMITATIONS**

The VSIP is not an entitlement or a benefit. It is intended to provide an additional method by which to meet both the imminent funding challenges and to meet the long-term fulfillment of the University’s mission. It is also an attempt by the University to recognize the invaluable contributions of its employee while accommodating required reductions in the most responsible way possible.

While all employees who meet the eligibility requirements may apply, not every individual application will be approved.

The Chancellor retains sole discretion over the eligibility and approval of any given VSIP offering and/or application.

Nothing in this program shall be construed as creating an employee right or entitlement of any kind. **Participation in the program by any eligible employee is strictly voluntary on the part of the employee. No employee may be pressured by any other UW-Platteville or UW-System employee to participate in the program.**

A. **ELIGIBILITY REQUIREMENTS AND LIMITATIONS**

Individuals meeting the following criteria are eligible to participate in the VSIP:

UW-Platteville employees, who, as of June 30, 2015:

1. Are currently appointed as a faculty member, academic staff member, or employed as a permanent classified staff member; AND
2. Are at least fifty-five (55) years of age as of June 30, 2015, vested with the Wisconsin Retirement System (WRS) as of June 30, 2015, and are eligible to receive an annuity under WRS; AND
3. Have a University of Wisconsin—Platteville start date on or before June 30, 2010.

Limited Term Employees (LTEs) and Project Classified Employees, may apply for participation in the VSIP, as long as the criteria in subparts A.1. and A.2., above, are met.

The following individuals are not eligible for participation, even if they meet the criteria in subparts A.1., A.2. and/or A.3., above:

1. Employees who have given written notice of their intent to retire or resign prior to the start date of this incentive program,
2. Student employees, and rehired annuitants; and/or
3. Limited employees.

B. APPLICATION PROCEDURE AND REVIEW

1. All potentially eligible employees will be invited to apply for consideration in the VSIP.
2. Eligible employees will be advised of their eligibility and will be provided with an application to participate.
3. Eligible employees must submit completed applications for consideration in the VSIP no later than the date established by the Chancellor.
4. Division heads and Deans of the Colleges shall evaluate the applications received in relation to the objectives of the VSIP, listed above, and make recommendations to the Chancellor for final action.
5. The Chancellor’s final decisions will be communicated to the applicants as soon as practicable.
6. Approved applicants will be provided a separation agreement for their review. Approved applicants will have a minimum of forty-five (45) days, from the date the separation agreement is made available to the approved applicant, to review and consider. During this time, approved applicants are encouraged to seek advice from their financial and/or tax counselors and to contact the office of Human Resources with their questions about the plan.
7. There is no expectation that all VSIP applications will be approved.

C. INCENTIVES

1. Approved applicants will have a choice of:
   a. a one-time incentive payment equal to fifty percent (50%) of the individual’s base salary, or,
   b. a one-time actuarial reduction payment (ARP). This shall take the form of an Employee Trust Funds (ETF) WRS Actuarial Reduction Program payment towards WRS years of service. This option applies to VSIP
eligible employees who are also eligible for a retirement annuity involving an age reduction factor.

2. For faculty and instructional academic staff the straight base pay amount used in the incentive payment calculation will be the employee’s nine-month salary for the 2014-2015 academic year.

3. For annual employees the straight base salary used in the incentive payment calculation will be the employee’s twelve-month salary for fiscal year 2015.

4. For LTE employees, the straight base salary used in the incentive payment calculation will be the actual gross earnings from the prior calendar year (2014) which were paid by the University of Wisconsin-Platteville.

5. No change in base salary or in FTE percentage appointment within the ninety (90) days prior to the effective date of the plan will be taken into account in determining the employee’s base salary for use in the incentive calculations.

6. For all eligible applicants, excluding faculty members and LTE employees, the straight base salary amount used in the incentive payment calculations will be adjusted to reflect the FTE percentage appointment the employee had in the same period used to determine the base salary amount.

7. For employees who are non-exempt pursuant to the Fair Labor Standards Act (FLSA) the base salary to be used in the incentive payment calculation will be determined as follows:
   a. The sum of the employee’s hourly rate multiplied by forty (40) multiplied by fifty-two (52). This calculation represents one year of straight time at forty (40) hours per week.

8. No employee’s base salary determination will include any overtime, overloads, “Winterim” payments, additional summer payments, or any other payments above the employee’s straight base salary.

9. If, at the time of the implementation of the VSIP an employee is currently serving in an interim capacity, has been in that interim capacity for a minimum of twelve (12) months prior to the implementation of the VSIP, and otherwise meets all of the applicable eligibility criteria, the employee’s base interim salary shall be used in the incentive payment calculation. In cases wherein the employee has served in an interim capacity for less than twelve (12) months prior to the implementation date of the VSIP, the employee’s straight base pay from the period immediately prior to the interim appointment shall be used in the incentive payment calculation.

10. For approved applicants who select the ARP incentive, the payment for approved applicants shall be in the amount necessary to eliminate the age reduction factor applied to the applicant’s annuity. UW—Platteville will pay one hundred percent (100%) of the cost of this actuarial reduction. This payment is credited as employer current service contributions.

11. If the cost of the ARP paid for approved applicants is less than 50% of the approved applicant’s base salary, the difference between the 50% of the base salary and the cost of the ARP will be paid to the approved applicant in a lump sum.
12. Tenured faculty enhanced incentive.

In recognition of the valuable rights bestowed with tenure, the time and commitment invested in achieving tenure, and recognizing that the VSIP requires a faculty member with tenure to surrender these rights, the University of Wisconsin—Platteville will offer an enhanced incentive to any tenured faculty who is eligible, applies and is approved under the VSIP. Those tenured faculty who apply and are approved pursuant to the VSIP will be paid an additional one-time incentive in a lump sum of ten thousand dollars ($10,000).

D. TAX AND FINANCIAL CONSEQUENCES OF PARTICIPATION IN THE VSIP.

a. In all cases, each individual participating employee is responsible for consulting with their personal tax advisor as to the potential tax consequences of the employee’s participation in the VSIP.

b. In all cases, each individual participating employee is responsible for consulting with their personal financial advisor as to the financial consequences of the employee’s VSIP.

c. No employee of the University of Wisconsin—Platteville is authorized by the University of the University of Wisconsin System to provide tax and/or financial advice to employees. Information sessions and materials are for general information only and should not replace the advice of a competent financial and/or tax advisor.

E. CONDITIONS

1. Not every individual application will be approved. The Chancellor has sole discretion over the determination of eligibility and approval of any individual application to the VSIP in order to achieve specific institutional objectives. Nothing in this program shall be construed to create a right or entitlement to any employee.

2. Approved participants in the VSIP shall be restricted from being rehired by the University for two years from the date of separation, unless authorized by the Chancellor because of exigent circumstances, although all accepted applicants must adhere to the WRS valid termination requirements under Wisconsin Administrative Code § E TF 10.08 and break-in-service regulations pursuant to Wis. Stat. § 40.26(5).

3. The approved applicant’s date of separation will be determined by the Chancellor based on his opinion of what is in the best interest of the University.

4. The Assistant Chancellor for Diversity and Inclusion, or their designee, shall review the final VSIP plan and the proposed approved applicant group to ensure that the plan does not adversely impact underrepresented groups that are in the employment of the University of Wisconsin—Platteville, and will provide a recommendation for approval, modification or rejection to the Chancellor prior to the final approval of applicants. The Chancellor retains sole discretion in approving or denying applicants.

5. In consideration for the participation in the VSIP and the payment of incentives described herein, accepted applicants must voluntarily accept and sign a separation agreement that contains a release of all continuing employment rights and any and all claims against the University of Wisconsin—Platteville, the University of Wisconsin
System, and/or the Board of Regents, including but not limited to any claim against
their officers, employees, agents, attorneys, insurers and/or their assignees.

Approved:

[Signature]

Chancellor

4/15/15

Date