



Voluntary Separation Program

Plan Document 2008

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1. Program Objective

The University of California Office of the President (“UCOP”) is pleased to offer eligible employees an opportunity to participate in the University of California Office of the President Voluntary Separation Program (the “Voluntary Separation Program”). The objective is to reduce the number of employees in the Office of the President in a voluntary manner by offering severance pay. Defined terms shall have the meaning set forth in Section 8.

2. Eligibility

All UCOP employees are eligible to participate in the Voluntary Separation Program except the following:

- An employee in the Senior Management Group (SMG),
- An employee at the Management and Senior Professionals level MSP VIII,
- An employee in an office reporting directly to The Regents (including the Office of the General Counsel, Compliance/Audit, Secretary and Chief of Staff to The Regents and the Office of the Treasurer),
- An employee with an appointment of less than 50%,
- Temporary appointments (limited appointments, casual/restricted appointments, and floater appointments in TOPS—Temporary Office of the President Staffing),
- An employee receiving retirement benefits from the University of California Retirement Plan (rehired retirees),
- An employee who, prior to June 30, 2008, is entitled to separation or severance pay under another arrangement, agreement or settlement with the University that is not part of this Voluntary Separation Program.
- Any employee with less than one year of service.

Eligibility for represented employees in the Clerical (CUE-Covered Employees), Service (AFSCME-Covered Employees) and Technical (UPTE-Covered Employees) bargaining units will be determined by collective bargaining as appropriate.

Eligible employees shall include employees on an approved leave of absence. The University has the sole discretion to determine who is eligible for the Voluntary Separation Program.

3. Voluntary Severance Requirements

An eligible employee must meet each of the requirements in this Section 3 in order to participate in the Voluntary Separation Program.

3.1 **Election.** Eligible employees may elect to participate in the Voluntary Separation Program by submitting their election form to the Office of the President Human Resources Office on or before January 31, 2008. In order for an election to be valid under the Voluntary Separation Program, the election must include a termination date on or after January 15, 2008. In order to be entitled to severance pay as provided in Section 4, an employee must terminate employment on a date agreed upon by the supervisor and the employee.

3.2 **Release.** In order to receive the severance payment provided in Section 4, an Electing Participant must terminate employment and sign a release of claims.

(a) An Electing Participant who is age 40 or over at the date of termination shall have 45 days to consider and sign a release of claims, including claims under the Age Discrimination in Employment Act, and accept the offer of severance pay. Releases will be published and provided on January 15, February 15, March 14, April 16, May 13, and May 16. (The Office of the President Human Resources Office at its sole discretion may publish releases on additional dates.) An Electing Participant who is age 40 or over may consider the release and the offer of severance pay for a period of 45 days but may sign the release at any time before the end of the 45 day period. The Electing Participant shall have seven (7) days after signing the release of claims to revoke the release and refuse the acceptance of severance pay. Severance will be paid shortly after the later of (1) the end of the seven (7) day revocation period or (2) the Electing Participant's separation date.¹

(b) An Electing Participant who is under age 40 must sign a general release of claims in order to receive payment of severance after termination of employment.

¹ Under University policies, any severance pay of \$100,000 or more must be approved by the Regents and severance will not be paid until seven (7) days after such approval.

3.3 **Continued Employment.** In order to be eligible for any benefits provided in Section 4, the Electing Participant must continue to perform as a satisfactory employee until the selected date of termination.

4. Severance Pay and Benefits

4.1 **Severance Pay.** An Electing Participant who fulfills the requirements under Sections 2 and 3 shall receive severance pay assigned to his or her employment classification as follows:

4.1.1 **Professional and Support Staff (PSS)** who meet the requirements shall receive severance pay in the amount of one (1) week's pay for each full year of service up to a maximum of 16 weeks' pay.

4.1.2 **Managers and Senior Professionals (MSP I-VII) and Non-Senate Academics** who meet the requirements shall receive severance pay in the amount of one month's pay (1/12 of annual salary) for each full year of service up to a maximum of six (6) months' pay.

4.1.3 A **CUE-Covered Employee** who meets the requirements shall receive severance pay in the amount of one (1) week for each full year of service up to a maximum of 16 weeks' pay.

4.1.4 An **UPTE-Covered Employee** who meets the requirements shall receive severance pay in the amount of one (1) week's pay for each full year of service up to a maximum of 16 weeks' pay.

4.1.5 An **AFSCME-Covered Employee** who meets the requirements shall receive severance pay depending on years of service in the amount of (a) two (2) weeks' pay for Electing Participants with less than five (5) years of service, or (b) five (5) weeks' pay plus one (1) week of pay for each year of service over five years up to a maximum severance payment of 16 weeks' pay for Electing Participants with five (5) or more years of service.

4.2 **Outplacement Benefits.** An Electing Participant shall be eligible for outplacement services provided by Torchiana, Mastrov & Sapiro, Inc. (a two-day career transition workshop to be conducted prior to August 31, 2008 on dates determined by the University).

4.3 **Time and Form of Severance Pay.** Any severance pay due to an Electing Participant shall be paid in a single sum following termination of employment and

delivery of a signed release and, for employees who are age 40 or over, after the end of the seven (7) day revocation period described in Section 3. The University shall withhold appropriate federal and state income and employment taxes from severance pay.

- 4.4 **Service.** Service for purposes of calculating severance will be 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. Employment prior to a break in service is not counted as service. Only full years of service will count toward the calculation of severance pay. Any AFSCME-Covered Employee who is an Electing Participant shall have service calculated based on the most recent hire date (after the most recent break in service, if any).
- 4.5 **Repayment.** Any Electing Participant who returns to employment in the Office of the President within six (6) months after his or her separation date under the Voluntary Separation Program shall be required to repay the amount for any Unexpired Severance Period, except severance pay up to \$1,000 which is not subject to repayment. For example, if an employee receives four months' pay as severance and is rehired into another UCOP position after three months, the employee will be required to repay one month of severance, provided the retained three months of severance pay is at least \$1,000.

5. Health and Welfare Benefits Coverage

The University's normal contribution for the Electing Participant's health, dental, vision and life insurance coverage will continue through the end of the month following the date of termination. The Electing Participant's coverage will terminate on this date unless he/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 Electing Participant may purchase medical, dental and vision coverage at the applicable COBRA group rates. These premiums must be paid monthly, in advance, by the Electing Participant in order to continue his/her coverage. In addition, he/she shall have thirty-one (31) calendar days from the end of coverage to convert or elect portability for basic, supplemental and/or dependent life insurance coverage to individual plans at his/her expense. An Electing Participant's short and long-term disability insurance terminates on the last date of University employment.

6. No Right to Continued Employment

The Voluntary Separation Program does not grant or create any right to continued employment and any preexisting rules, policies or agreements regarding the employment of Electing Participants continue to apply.

7. Amendment and Termination

The University may amend or terminate the Voluntary Separation Program at any time and for any reason before any elections are made under Section 3.1. The Voluntary Separation Program shall automatically terminate August 31, 2008.

8. Definitions

- 8.1 "AFSCME-Covered Employee(s)" shall mean an employee in the Office of the President who is covered by a memorandum of understanding between the University and the American Federation of State, County and Municipal Employees 3299.
- 8.2 "CUE-Covered Employee(s)" shall mean an employee in the Office of the President who is covered by a memorandum of understanding between the University and the Coalition of University Employees.
- 8.3 "Electing Participant" is an eligible employee as set forth in Section 2 and who elects to participate in the Voluntary Separation Program pursuant to Section 3.
- 8.4 "Office of the President" means the University of California Systemwide Office of the President.
- 8.5 "Unexpired Severance Period" means the difference between (a) the number of months or weeks (up to any maximum) used to calculate an Electing Participant's severance pay and, if less, (b) the number of months or weeks between the separation date and the return to employment at UCOP. (If (b) exceeds (a), the unexpired severance period is zero.)
- 8.6 "University" means the University of California.
- 8.7 "UTPE-Covered Employee(s)" means an employee in the Office of the President who is covered by a memorandum of understanding between the University and the University Professional and Technical Employees—Communication Workers of America Local 9119 for the Technical Unit.