

WICHITA STATE UNIVERSITY

VOLUNTARY SEPARATION INCENTIVE PROGRAM (VSIP) FAQs

The University has tried to anticipate a number of questions and answers related to the VSIP. If you have a question you don't see here, please email vsip2020@wichita.edu. Recurrent questions of a non-personal nature and the responses will be added to this page.

All eligible staff and faculty considering this voluntary incentive program are strongly urged to consult an attorney of their choosing and at their own expense. They also should consult with family, as well as their personal tax advisor.

Why is the University offering the VSIP?

The financial impact of COVID-19 has created financial challenges for most Universities. The University leadership is exploring a number of cost-savings measures that can help the University operate long into the future. This voluntary program is an effort to provide employees an opportunity to fast track their retirement while providing University leaders future budget flexibility.

Faculty and staff nearing the end of their careers are often in a position to retire, but remain for a variety of personal and professional reasons. The VSIP allows administrators to offer eligible employees incentives for an accelerated departure.

Funding of VSIP will be provided through the existing FY 2021 budget of each VSIP approved position. Departments are encouraged to leave VSIP approved positions vacant for at least a sufficient period in FY 2022 to cover any remaining costs. However, should a department request to fill a VSIP position prior to that time, they may receive, through an approval process, central funding for such purposes. For VSIP positions funded from restricted resources, approval of central funding may be approved to cover remaining costs not yet recouped through the time of the vacancy. All requests to fill a VSIP vacated position must be approved through the Position Exception Review process. Central funding will not be provided for positions funded by research grants, endowments, federal funds, or for any other external funding. In all cases the decisions will be prioritized based upon the University's financial and strategic needs, which are in the best interest of the University community.

How can I learn about what my incentive payment would be?

Eligible staff and faculty who are considering applying may request information about their specific incentive payment by emailing vsip2020@wichita.edu.

In general, each eligible employee who separates from WSU in accordance with the VSIP will receive a lump-sum cash payment of an amount equal to their FY 2021 budgeted annual base salary, minus required payroll deductions. Deductions include applicable federal and state taxes and any other legally required deductions. Base salary is defined either as (i) academic-year salary for those budgeted on a less than 12-month schedule; or (ii) fiscal-year salary for those budgeted as 12 months in the FY 2021 budget. The VSIP Incentive Payment does not include any other payments such as additional compensation (sometimes referred as stipends), faculty payments for

summer sessions, overloads or other one-time payments; endowed distinguished professor supplements; funds held in the WSU Foundation or other endowment income; research grants; or any other administrative or external funding. Neither the employee nor the University will make mandatory retirement contributions on the incentive payment amount and the incentive payment amount cannot be used in the calculation for voluntary retirement plan contributions.

VSIP approved participants will not be eligible for future merit increases.

Who is eligible for the VSIP?

The VSIP is available only to eligible WSU Faculty and Staff who are active participants in the KBOR Mandatory retirement plan, the KPERS Retirement Plan or the KP&F Retirement Plan who:

1. Are 62 years of age or older at the Retirement or Separation Date;
2. Have completed at least ten (10) years of service in a benefits-eligible position at WSU **or** a State of Kansas agency at the Retirement or Separation Date; and
3. Are not otherwise ineligible because the employee:
 - Already has an active phased-retirement agreement or are scheduled to begin phased-retirement at a future date;
 - Has already announced intention to retire or separate employment, if their department has acknowledged such request (i.e. a letter of retirement/resignation submitted and accepted by the department);
 - Is on approved long-term disability or who are in the waiting period;
 - Has an executed agreement of separation with an identified; projected date of separation with WSU;
 - Has been approved for a partial or full-year sabbatical leave beginning Fall, 2020.

Eligibility will be determined by the WSU Department of Human Resources.

What if I change my mind after I've returned my Notice of Retirement document?

If you have returned your Notice of Retirement document, you will be required to retire on the documented retirement or separation date, regardless of whether you choose to sign the Separation Agreement document. *Please consider all options carefully as deadlines are rigid and this step is binding.*

You will be required to retire or separate on December 26, 2020 because the University and your department will be making a financial commitment to you, perhaps to the exclusion of another

faculty or staff member. Additionally, the University will need to begin planning to meet the academic and departmental needs prior to your actual separation date.

Potential participants are strongly urged to consult with an attorney of their choice and at their own expense. They are also encouraged to discuss this option with their family and personal tax advisor as the University cannot provide tax advice or legal advice.

What is the deadline for the Notice of Retirement Document to be returned?

If you are accepted for the VSIP, the Notice of Retirement document must be completed and submitted no later than 5:00 p.m. CST on Wednesday, October 28, 2020.

Your signature is binding and indicates the date you agree to leave University employment and may not be rescinded.

After I submit my Notice of Retirement Document, what do I need to do?

If you returned your Notice of Retirement, you will receive by e-mail a Separation Agreement with Waiver and Release on document. You should receive this on Monday, November 9, 2020. If you do not receive this document and believe you should have, please contact VSIP2020@wichita.edu.

The Separation Agreement outlines the financial transaction that will take place at the time of retirement. Failure to sign this document at the time of retirement will mean you revoke the VSIP incentive payment, not that you will not retire from employment at WSU.

The Separation Agreement must be signed and notarized and returned to HR by e-mail at VSIP2020@wichita.edu on December 28, 2020, however, due to the holiday a signed and notarized Separation Agreement may be accepted after December 28 but no later than midnight, Monday, January 4, 2021. Employees should make every effort to notify HR by e-mail at VSIP2020@wichita.edu of delays in submitting signed and notarized Separation Agreement. Delayed receipt of the Separation Agreement may delay VSIP Incentive Payment.

Will you offer this program again in a few years?

We do not anticipate offering a VSIP program again in the foreseeable future as this program is designed to help address a specific challenge.

Where can I have specific questions addressed?

If you have questions which are not addressed in any of the VSIP documents, please email vsip2020@wichita.edu.

If you meet eligibility criteria and are interested in the impact that retirement will have on your benefits, please refer to [VSIP Benefits Information](http://www.wichita.edu/services/humanresources/VSIP/benefits.pcf) (as defined and further described at www.wichita.edu/services/humanresources/VSIP/benefits.pcf).

Will this offer be affected by other cost-savings measures the University might take?

Employees may be subject to other cost-savings measures the University chooses to make. The incentive payment for applicants who are accepted into the VSIP will not be affected should the University need to take additional measures such as salary reductions, furloughs or a reduction in force.

How will this affect faculty not eligible or selected for the VSIP?

The VSIP is part of a larger effort to address the effects of COVID-19 on the institution. These efforts include looking for opportunities to reduce workloads by eliminating activities that do not support WSU's goals. As always, managing the teaching and research responsibilities of retiring faculty will be done at the department and/or college level.

Long-serving, tenured faculty and staff are often our most respected and valued. Will losing them harm WSU's reputation and standing?

WSU's mission and strategic goals are a key priority, and all VSIP applications will be weighed against the best interest of the University community. A faculty or staff member may not be approved for the VSIP if that departure would significantly weaken WSU's work in an academic or research area, program accreditation, or strategic goals.

If I participate in the 2020 VSIP, may I be rehired after retirement?

The University is enforcing a 12-month waiting period for the rehire of participants in the VSIP at WSU. There are other important stipulations of rehire that would also apply during and after the twelve-month period, which are outlined at [Working After Retirement](#) (as defined and further described at www.wichita.edu/services/humanresources/VSIP/workingafterretirement.pcf). Retirees may not be rehired into the same position in which they retired from once they become eligible for rehire. There is no waiting period to pursue employment with one of the WSU affiliates, such as WSU Foundation or the WSU Alumni Association.

How was eligibility for the program determined?

Eligibility of staff and faculty for the VSIP was based upon a number of factors, including the faculty or staff member's length of service to the University and age as it relates to an individual's ability to take advantage of retirement benefits.

Additionally, while it is the intention of WSU to allow as many eligible faculty and staff as possible to participate in the VSIP, WSU reserves the right to limit the total number of participants in order to preserve the viability of programs and services and the integrity of financial resources. We must ensure that the college and/or department's operational and accreditation needs are served so that each college and/or department can achieve its strategic and organizational mission. Ultimately, the University needs to make certain that the needs and best interests of the entire University community are served.

Can I participate if I'm on sabbatical this year?

No. If you were on Sabbatical in 2020 you are ineligible. All participants approved in the VSIP program must retire on December 26, 2020, and therefore you would be unable to complete a full academic year as required by taking a sabbatical.

I've already discussed resignation or retirement with my college and/or department leader, am I eligible for this program?

If your college and/or department leader has not yet accepted or acknowledged your decision to resign or retire and you meet the VSIP eligibility criteria, you would be eligible to apply for the VSIP. If you and your college and/or department leader have already determined a date for your resignation or retirement or have entered into a phased-retirement agreement, you would not be eligible.

Can I retire under this program and get a faculty job at another KBOR institution?

Yes, other KBOR institutions or Kansas state agencies are not covered by the University's 12-month restriction from rehiring. However, there are other important factors that you may wish to consider, which are outlined at [Working After Retirement](http://www.wichita.edu/services/humanresources/VSIP/workingafterretirement.pcf) (as defined and further described at www.wichita.edu/services/humanresources/VSIP/workingafterretirement.pcf).

Who decides whether or not I am approved for the VSIP?

Applications received from eligible employees shall be reviewed by the employee's division leader as follows: President; Executive Vice President/Provost and Professor; Senior Vice President for Industry and Defense Programs/Executive Director of NIAR; or Vice President for Finance and Administration ("Division Officer").

Decisions to fund a voluntary separation package are made by the Division Officer with recommendation from the appropriate department, division or Center leadership, based upon the following criteria:

1. Meets VSIP eligibility requirements.
2. College and/or department operational and accreditation needs are served. The Division Officer may limit the number of individuals approved in any one college and/or department.
3. The needs and best interests of the University community are served.

If I want to participate but am not approved, is there an appeal process?

No. Decisions are final and not eligible for appeal.

Will participating affect eligibility for emeritus status?

VSIP participants are eligible for emeritus status as long as they meet the qualifications outlined in WSU's [Emeritus Status Policy](#) (as defined and further described at www.wichita.edu/about/policy/ch_03/ch3_27.php). Emeritus status is not automatically granted and must be initiated and recommended by the employee's department and/or senior leader for review.

If I'm accepted may I still use my vacation and sick leave?

Yes. Employees can continue to use available accrued vacation and sick leave under the current leave policy guidelines with supervisory approval.

What happens if I apply and am approved, but then need to change my decision?

It depends. You can decide not to participate in the VSIP at any point in time, BUT once you sign and return the Notice of Retirement document (deadline October 28, 2020) **your decision to retire is final**. Participants cannot later revoke their decision as the University will make decisions related to finances, academic services and staffing based upon this notice.

The Separation Agreement outlines the financial and legal terms of the arrangement, including a release of claims against the University. You can always choose not to sign the Separation Agreement. **If you decide not to sign the Separation Agreement, you will not receive the incentive pay** but your employment with the University will be separated.

If I participate in the program will I still be eligible for the regular retiree benefits like email, Heskett Center access, and WSU Library use?

Yes. If you meet retirement eligibility (see [Retirement Eligibility](#) (as defined and further described at www.wichita.edu/services/humanresources/Total_Rewards/Benefits/Retirement/Retirement_Eligibility.php), you are eligible for a variety of WSU-related benefits regardless of whether or not you return the Separation Agreement. A complete list can be found at [Retirement Perks](#) (as defined and further described at www.wichita.edu/services/humanresources/VSIP/Retirement_Perks.pcf).

If I turn in my application for VSIP earlier, can I find out my outcome earlier?

We are not able to notify applicants earlier than October 14, 2020 even if they submit their Notice of Interest form before the October 5, 2020, deadline. The program calendar is tied to employment law and the rules regarding the length of time employees must have to apply for the VSIP. The University intends to approve as many applications as possible, although all decisions will be made in the best interest of the University community.

If I am approved to take part in the program when do I finish my teaching responsibilities?

Approved individuals will be expected to work through the separation date of December 26, 2020. Participants are expected to complete instructional activities through the end of the fall term.

Can I direct the lump sum and/or my leave payouts into a tax-deferred retirement plan?

You can elect to direct some of your sick and/or vacation leave payout into a voluntary retirement plan. The VSIP lump sum incentive payment amount will not be included in the calculation of mandatory retirement contributions and will not be included to calculate the maximum deferral for voluntary retirement plan contributions. You may contact vsip2020@wichita.edu to receive information about the maximum amount you can defer into the KBOR voluntary 403(b) retirement plan and/or the 457 Deferred Compensation Plan. The IRS provides maximum deferral information in late October/early November for the following calendar year.

Are employees who are in 100% grant funded positions eligible to participate?

No, employees whose positions are entirely funded (100%) through grants are not eligible to participate in the VSIP. The VSIP is intended for eligible employees in state-funded positions. However, WSU may consider eligible employees in positions funded from other sources, such as restricted fees, if doing so is in the best interest of the University.

Does the rehire policy apply to individuals seeking employment at a WSU affiliate, such as the WSU Alumni Association or WSU Foundation?

No, the policy only pertains to VSIP program participants seeking positions at WSU. There are other important stipulations of rehire that would also apply during and after the twelve-month period, which are outlined at [Working After Retirement](http://www.wichita.edu/services/humanresources/VSIP/workingafterretirement.pcf) (as defined and further described at www.wichita.edu/services/humanresources/VSIP/workingafterretirement.pcf).

Is it advisable to discuss this possibility with one's supervisor before submitting the interest form?

The decision to submit an application must be an independent and voluntary decision. Supervisors have been directed to neither encourage nor prohibit employees from applying.

What are the basis for any denials due to "best interest" of the WSU community?

Since the VSIP is not an entitlement, applications are *approved*, rather than denied, based on the best interest of the WSU community. Any approvals must be consistent with the needs of WSU and must result in a benefit to the WSU community. Each approval will be granted based on the best interest of the University community, as to be determined by the employee's division leader as follows: President; Executive Vice President/Provost and Professor; Senior Vice President for Industry and Defense Programs/Executive Director of NIAR; or Vice President for Finance and Administration ("Division Officer").

For example, a significant cost savings as determined by the college, department and/or campus administration may result in a benefit to the WSU community.

Eligible applicants will be approved without regard to the individual's protected characteristics or protected activity.

Is it true that the open positions will need to be left vacant or is that a college and/or department determination?

Funding of VSIP will be provided through the existing FY 2021 budget of each VSIP approved position. Departments are encouraged to keep the VSIP-approved position vacant for at least a sufficient period in FY 2022 to cover the remaining cost. Should a department request to fill a VSIP position prior to that time, they may receive, through an approval process, central funding for such purposes. For VSIP positions funded from restricted resources, approval of central funding may be approved to cover remaining costs not yet recouped through the time of the vacancy. All requests to fill a VSIP vacated position must be approved through the Position Exception Review process. Central funding will not be provided for positions funded by research grants, endowments, federal funds, or for any other external funding.

I have been told that anyone with an administrative appointment cannot apply for VSIP. I cannot find that requirement anywhere, is this true?

An administrative appointment does not preclude a faculty member from qualifying for VSIP. However, their incentive payout would be based on their base salary which is defined either as (i) academic-year salary for those budgeted on a less than 12-month schedule; or (ii) fiscal-year salary for those budgeted as 12 months in the FY 2021 budget.. The VSIP Incentive Payment does not include any other payments such as additional compensation (sometimes referred as stipends), faculty payments for summer sessions, overloads or other one-time payments; endowed distinguished professor supplements; funds held in the WSU Foundation or other endowment income; research grants; or any other administrative or external funding.