Topics:

- Workforce Implications
- Eligibility
- Voluntary Separation Program
- Employee Benefits

What is a Voluntary Separation Program?

It is a voluntary program that provides separation pay and other benefits to employees who choose to voluntarily resign from service through the program.

Workforce Implications

1. **What led to the decision to offer a Voluntary Separation Program to employees of the School of Arts and Science (SAS)?**

   As a result of circumstances stemming from COVID-19, SAS leadership determined that it is necessary to adjust employment and staffing and have chosen to offer voluntary separations to all non-externally funded staff.

2. **Who is eligible for the Voluntary Separation Program?**

   All regular school funded full-time staff members who are working in SAS are eligible to participate in the Voluntary Separation Program, except for staff members who hold a position that has been excluded from participation. The positions that have been excluded from the Voluntary Separation Program are limited to SAS Dean positions and externally funded positions. Eligible employees are referred to as "VSP eligible employees" throughout this FAQ/Decision Guide.

3. **Will there be involuntary separations in the future?**

   The Voluntary Separation Program is being offered because SAS has been significantly impacted by the COVID-19 crisis and some reduction in workforce is necessary. We are doing this with the hope of avoiding involuntary separations in the future.

4. **When will the Voluntary Separation Program take place?**

   The window for an employee to elect to participate in the Voluntary Separation Program will run from Tuesday, September 8, 2020 until 5:00 p.m. on Monday, October 5, 2020. No election submitted after that date will be considered. Final decisions on approved Voluntary Separations will be made no later than October 16, 2020. The effective date for separations will be October 31, 2020.

5. **If I elect to participate in the Voluntary Separation Program during the election window, is my participation guaranteed?**

   No. SAS leadership will evaluate all the participation elections that are received and determine which elections will be accepted to participate in the Voluntary Separation Program. While we hope to be able to accept all participation elections, there may be instances in which this is not possible. For example, if the overall number of employees electing to participate in the Voluntary Separation Program is very high or if the electing employees are concentrated
in a particular area or function, we may determine that not all of the elections can be accepted because the department or School would not be able to operate effectively. In this instance, we will make a determination about which participation elections must be declined and notify the affected employees.

Eligibility

1. If I’m not a VSP eligible employee but I do similar work, can I elect to participate in the Voluntary Separation Program?

   No. The Voluntary Separation Program is being offered only to VSP eligible employees.

2. Will a VSP eligible employee who currently is on family medical leave of absence, educational, military or other authorized leave of absence be eligible for the Voluntary Separation Program?

   In general, yes. However, there may be unique circumstances for certain types of leave. Employees who are absent from work due to a leave should check with SAS Human Resources to confirm eligibility for the Voluntary Separation Program.

3. Will a VSP eligible employee currently on long term disability be eligible for the Voluntary Separation Program?

   No.

4. Will transferring employees be eligible for the Voluntary Separation Program? (Updated 9/8/20)

   In general, employees who transferred (or were approved for transfer) out of a Voluntary Separation Program eligible group of employees before September 8, 2020 are NOT eligible for the Voluntary Separation Program.

5. Will employees in a VSP eligible group who voluntarily separated or retired recently be eligible for the Voluntary Separation Program?

   Employees who voluntarily separated employment, submitted a resignation to separate/retire or retired before September 8, 2020 are not eligible for the Voluntary Separation Program.

6. May the University decline my election to participate in the Voluntary Separation Program?

   Yes. The University in its sole discretion reserves the right to decline an employee's election to participate in the Voluntary Separation Program at any time and for any reason. As described above, this means, for example, that the School could decline an employee's election if we determined that the employee's continued employment is necessary for the department or School to continue operating effectively.

7. Do I need to meet the “Rule of 75” in order to take advantage of this separation package?

   No. this is a Voluntary Separation package and not a Voluntary Retirement package so you do not need to meet the “Rule of 75” in order to be eligible.
Voluntary Separation Program

1. **What is the separation pay that will be provided through the Voluntary Separation Program?**

   Separation pay will be provided to employees on the basis of their years of service with the University in the form of pay continuation for a period of time as determined in accordance with the following schedule, up to a maximum of one (1) year:

   - Two Months of Pay Continuation, followed by
   - Two Weeks of Pay Continuation for Every Completed Year of Service

   For example only, an employee with eight (8) completed years of service would receive two months of pay continuation followed by an additional 16 weeks of pay continuation. An employee with twenty-five (25) years of completed service would receive one year of pay continuation, as pay continuation is capped at one year.

2. **How is service calculated for purposes of determining separation pay under the Voluntary Separation Program?**

   In general, an employee's years of service generally include the employee's most recent, continuous period of service with the University as a regular full-time employee. In general, an employee's years of service do not include periods of part-time service, periods of service before a rehire or any other interruption in an employee's service as a regular full-time employee, or service with a related organization such as the University of Pennsylvania Health System. Years of service include only completed years of service. There will not be any rounding up for this purpose in those cases where an employee is close to but has not fully completed a year of service. For example only, an employee whose service date reflects 5 years and 10 months of service is considered to have 5 years of completed service.

3. **Are there any other benefits that will be provided to employees through the Voluntary Separation Program?**

   Yes. During the period that employees are receiving pay continuation benefits, employees will be eligible to continue health benefits (medical, dental and vision) on the same basis as active employees – that is, the employee can continue to receive benefits by paying active employee premium rates during the period of pay continuation. The "Employee Benefits" portion of the Decision Guide below contains more information about the employee benefits that are provided to employees who participate in the Voluntary Separation Program.

4. **Does my period of Voluntary Separation Program benefits count as service toward Retiree Health Plan eligibility?** *(Updated 9/8/20)*

   Yes. The period of time that you are receiving Voluntary Separation Program benefits will be counted as service toward the "Rule of 75" eligibility requirements in the Retiree Health Plan. Please review the Retiree Health Plan descriptions and materials for more information about the Rule of 75 and the Retiree Health Plan's eligibility rules and requirements.

5. **When do I need to make a decision about participating in the Voluntary Separation Program?**

   VSP eligible employees who wish to participate must make their election between September 8, 2020 and 5:00 p.m. October 5, 2020. No election submitted after this date will be considered.

6. **If I elect to participate in the Voluntary Separation Program, when will I find out if my election is accepted?**

   We will evaluate all of the participant elections submitted by employees. As noted above, SAS reserves the right to decline an employee's participation election for any reason (for example, if there is a business need to retain certain
employees). Employees will be notified no later than October 16, 2020 whether their participation election has been accepted or declined.

7. If I elect to take the Voluntary Separation Program, when is my last day worked?

An employee's last day of active work will be October 31, 2020 (separation date). However, in its sole discretion, the University may establish different separation dates for participating employees if more time is needed to transition the employee's work to other employees or for other business needs or circumstances.

8. Can I use my vacation to extend my employment beyond October 31, 2020?

No. Vacation cannot be used to extend employment beyond October 31, 2020 (the separation date). However, with a manager’s approval, employees may take earned vacation prior to their separation date. Employees will be paid at the end of the pay continuation period for any unused, accrued, or deferred vacation remaining as of their separation date in accordance with the University's regular paid time off policies.

9. What if I elect to participate in the Voluntary Separation Program, but then change my mind?

Submission of the Voluntary Separation Program election form is considered an offer to resign. If that offer is accepted by SAS, then the separation date October 31, 2020 is considered to be final. Employees whose election is accepted have additional time to consider whether to sign the Notice and General Release and that document can be revoked during the seven days after it is signed. However, a revocation of the Notice and General Release is not a revocation of the decision to voluntarily separate from employment. If the Notice and General Release is revoked, then you will not be eligible for pay and benefits continuation pursuant to the Voluntary Separation Program but your separation will remain effective.

10. Can I elect to participate in the Voluntary Separation Program, but then come back to work for the University?

If an employee participates in the Voluntary Separation Program, he or she will not be eligible for reemployment with the University or its affiliates (including the University of Pennsylvania Health System) or any contracting or staffing organizations that have arrangements with the University for two years following the employee's separation date.

11. When and how will I receive my Voluntary Separation Program pay continuation?

Pay continuation provided through the Voluntary Separation Program will start being paid to employees immediately following their separation date and will be paid in equal, periodic installments in accordance with the University's regular payroll periods and procedures. Payments will be deposited in employees' bank accounts in accordance with applicable direct deposit elections and will be subject to (and will be reduced for) all appropriate taxes and withholding.

12. Can I contribute a portion of my pay continuation payments to the University's 403(b) Plans?

No.

13. What do I need to do to elect to participate in the Voluntary Separation Program?

To participate in the Voluntary Separation Program, you must complete and submit a Voluntary Separation Program election form during the designated election period between September 8, 2020 and 5:00p.m. on October 5, 2020. If your application is accepted, you must complete and submit a Notice and General Release by no later than October 31, 2020. Once you have returned the signed Notice and General Release, you will have seven days to revoke it.
Please note that revoking the Notice and General Release is not a revocation of your decision to voluntarily separate from employment. That decision is final upon submission and acceptance of the Voluntary Separation Program election form. If you do not sign and return the Notice and General Release in the time period provided or if you timely revoke the Notice and General Release, then you will not be eligible for pay and benefits continuation pursuant to the Voluntary Separation Program.

14. What resources are available to me as I consider the Voluntary Separation Program?

You should contact SAS Human Resources by writing to sas-hr@sas.upenn.edu if you have any questions about the Voluntary Separation Program.

Employee Benefits

1. If I elect to take the Voluntary Separation Program, how does this impact my medical, dental, vision, life insurance and other welfare benefits?

Medical, Dental and Vision Benefits: Employees who participate in the Voluntary Separation Program can continue the medical, dental and/or vision coverage in effect at the time of separation through the end of the pay continuation period by continuing to pay the active employee rates for coverage. During this period of continued coverage, the University will continue paying its normal share of the cost of coverage. At the end of the pay continuation period, University-subsidized coverage will end and an employee and/or the employee's eligible dependents will be given an opportunity to continue medical, dental and/or vision benefits, as applicable, by paying the full premium (and an administrative fee) under continuation coverage provisions of a federal law known as the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA").

(Note: Employees who are eligible to retire at the time they elect to participate in the Voluntary Separation Program may elect retiree coverage as described in more detail below.)

Life Insurance: Life insurance can be converted to an individual policy if done so within 31 days of an employee's separation date. Accidental death and dismemberment coverage will cease at the time of separation. Employees seeking to convert life insurance must call 1-877-275-6387.

Disability Benefits: Short-term disability benefits and coverage stops on an employee's separation date. Employees that may be eligible for long-term disability benefits based upon an illness or injury occurring before their separation date have up to six months from their separation date to apply for these benefits. After this six-month period, the benefits are no longer available.

Supplemental Long-Term Disability Insurance: Supplemental Long-Term Disability Insurance may be continued, at an employee's option, through Standard Insurance Company ("The Standard"). Payroll deductions will continue through the end of the pay continuation period. At the end of the pay continuation period, The Standard will commence direct billing unless an employee elects not to continue the coverage. If an employee elects to cancel the coverage, the employee must contact The Standard directly at 1-877-321-4427.

Health Care and Dependent Care Flexible Spending Accounts: After an employee separates from service under the Voluntary Separation Program, the employee may not open or reenroll in a flexible spending account. Further, contributions to the Dependent Care Flexible Spending Account (the "Dependent Care Account") and the Health Care Flexible Spending Account (the "Health Care Account") will stop during the pay continuation period. However, employees may file reimbursement claims against the Dependent Care Account and the Health Care Account through the end of the three-month grace period after the end of the plan year (i.e., by September 30 following the plan year end date of June 30). For the Dependent Care Account, an employee can be reimbursed up to the amount of available funds in the account for expenses incurred through the last day of the plan year in which the employee's separation date occurs. For the Health Care Account, an employee can be reimbursed up to the amount the employee elected to
contribute for the year, less any previous reimbursements, for expenses incurred up to and including the employee's separation date.

2. **If I elect to take the Voluntary Separation Program, how does that impact my retirement benefits?**

   **Retirement Plan Contributions:** Eligible employees can continue to make contributions (and receive University contributions) under the University of Pennsylvania Matching Plan, Basic Plan and Supplemental Retirement Annuity Plans (the "Retirement Plans") up through the employee's last regular paycheck as an employee. Employees cannot make contributions to (or receive contributions through) the Retirement Plans on the basis of pay continuation provided through the Voluntary Separation Program on and after the employee's separation date.

   **Retirement Plan Distributions:** Upon an employee's separation from service, any accounts in Retirement Plans will be available for distribution, subject to any applicable statutory, carrier, and institution restrictions and the requirements of the Retirement Plans. Employee should contact the University of Pennsylvania Retirement Call Center (1-877-736-6738) for information about electing a distribution from the Retirement Plans.

   **Retirement Allowance Plan:** Similarly, employees participating in the University's Retirement Allowance Plan ("RAP") will accrue services and benefits up through the employee's separation date, but will stop accruing benefits thereafter. Further, employees who meet the eligibility requirements for retirement and choose to retire from active employment may apply to receive their RAP benefits. Employees should contact Human Resources for information about electing a distribution from the RAP.

3. **Can I elect to retire and receive benefits through the University Retiree Health Plan after Voluntary Separation Program benefits end? (Updated 9/8/20)**

   Employees who are eligible to retire and receive benefits through the University of Pennsylvania Health and Welfare Plan for Retirees and Disabled Employees (the "Retiree Health Plan") may elect to start receiving Retiree Health Plan benefits after the medical coverage provided through the Voluntary Separation Program ends. At that time, eligible employees will be provided with information about how to elect to participate in the Retiree Health Plan.

4. **If I elect to participate in the Voluntary Separation Program, how does that impact my Tuition Assistance Benefits?**

   If an employee is receiving University-provided tuition assistance for the employee or the employee's qualified dependents, the tuition assistance benefits will continue through the end of the semester in which the employee's separation date occurs. In addition, employees who are eligible to retire at the time they elect to participate in the Voluntary Separation Program will be eligible to receive tuition benefits during retirement in accordance with the terms of the University's tuition policies.

5. **What happens to Long Term Care benefits upon my separation date?**

   Long-term care insurance may be continued, at an employee's option, through John Hancock Life Insurance Company ("John Hancock") and/or Genworth Financial ("Genworth"). Payroll deductions will continue through the end of the pay continuation period. At the end of the pay continuation period, John Hancock and/or Genworth will start direct billing unless the employee discontinues coverage. To cancel coverage, employees must contact John Hancock directly at 1-800-711-2899 and/or Genworth Financial directly at 1-800-416-3624.

6. **How will vacation be handled for employees who elect to participate in the Voluntary Separation Program?**

   Employees will be paid for any unused, accrued, or deferred vacation remaining as of their separation date in accordance with the University's regular paid time off policies.

7. **What terms and documents apply to my employee benefits?**
Your eligibility for employee benefits (medical, dental, life insurance, retirement, tuition, paid time off, etc.) will be determined solely in accordance with the official plan documents, summary plan descriptions or policies governing the terms of the particular benefit. In the event of any inconsistency between the terms of this Voluntary Separation Plan summary, related materials or the terms of the official plan documents, summaries or policies, the terms of the official plan documents, summaries or policies will control. No one acting on behalf of the University or the University's employee benefit plans may verbally change or amend these official plan documents, summaries or policies.

**IMPORTANT DISCLOSURE:** The University reserves the right to determine employee eligibility for the Voluntary Separation Program, to interpret and apply Voluntary Separation Program provisions in all instances, and to suspend, amend, modify and/or terminate the Voluntary Separation Program and any associated benefits at any time in its sole discretion. The provisions of the Voluntary Separation Program documents, and any employee benefit or compensation plan documents associated with the Voluntary Separation Program, and all University actions in administering, interpreting and applying such program and plan documents, will continue to control.

Please write to SAS-HR@sas.upenn.edu if you have any questions regarding the SAS Voluntary Separation Program.