

Tennessee State University

Voluntary Employee Separation Plan

Questions and Answers

A. Eligibility

How do I know if I am eligible for the Voluntary Employee Separation Plan (VESP)? Review the eligibility criteria. If you are still unsure, contact the Office of Human Resources at 963-5281.

B. Severance Payment

Can I defer the severance payment to my 401(k), Roth 401, 457, and/or 403(b)? No. IRS regulations do not allow the severance payment to be deferred into these programs. Regular earnings and annual leave may be deferred.

What do you mean by severance payment equivalent to twelve (12) months of the University's portion of health insurance? This payment does not pay for insurance continuation or guarantee continuation of health insurance. This severance payment is designed to help offset your health insurance cost after the Voluntary Separation Date. This part of the severance payment is paid directly to the participant. This is the portion of the health insurance cost that TSU currently pays.

When will I receive payment for my accrued annual leave and severance payment? The payments for any (a) accrued but unused annual leave, compensatory time, or worked holidays or (b) accrued salary will be made in a lump sum payment on the Participants' last regular payroll. Severance Payment will be made by November 30, 2020 for staff and January 31, 2021 for faculty, and following the timely receipt of the Waiver and Release Agreement by the University.

Will the severance payment be taxed? Yes, as required by federal law. The severance payment is subject to all federal taxes.

Will the annual leave payout be taxed? Yes, as required by federal law.

I am a nine-month faculty member. When will I receive payment for accrued salary? Accrued salary for a 9-month faculty will be paid as a lump sum in December 2020.

How is the six-month salary payment calculated? Staff employees will receive one half of the annual base salary. Divide the annual base salary by 2.

C. Educational Assistance

Can I use the educational assistance benefit after my separation of employment? Yes. The University is making special provisions to pay for one class (up to four credit hours) **for the Spring 2021 semester, only if attending TSU.**

How do I apply for tuition assistance? Educational benefit forms currently used by Human Resources will also be used for the tuition assistance portion of the VESP. Forms may be found on the Human Resources website. Completed forms should be submitted to the Office of Human Resources, 3500 John A. Merritt Blvd. Nashville, TN 37209.

If I leave University employment under the VESP on October 31, 2020 or December 15, 2020, is my child or spouse still eligible for the Spouse/Dependent fee discount program for Spring 2021?

No. Since eligibility is determined by the employee status on the first day of classes for each term and your Voluntary Separation Date will occur before the spring semester begins, your child or spouse will not be eligible for the fee discount program.

If I retire through the VESP will this impact other retiree education benefits? The VESP has no impact on retiree education benefits. Any benefit for which you are eligible as a retiree will not be affected by the VESP.

D. Re-Employment

If I am accepted into the VESP, can I be re-hired by the University? You may not be rehired for a period of three (3) years from the separation dates, work in any capacity—whether as an employee, temporary employee, adjunct faculty, independent contractor, or as a consultant—at Tennessee State University.

If I am accepted in the VESP, terminate my employment, and then return to work after the three-year waiting period, will I lose my TCRS service and salary credit, sick leave, and longevity credit? No. If you return to regular employment at the University, your retirement credit, sick leave, and longevity credit may be reinstated.

E. Application Process and Revocation

When are applications due, and how do I submit? Applications must be submitted to the VESP Administrator no later than 4:30 pm on or before July 31, 2020 for employees and September 15, 2020 for faculty. You may use one of the methods below to submit the application.

Email to: VESP Administrator, vesp@tnstate.edu

Personal Hand Delivery to: Linda Spears, Associate Vice President of Human Resources/CHRO, and VESP Administrator, Office of Human Resources, Tennessee State University, Nashville, TN 37209.

or

FedEx or UPS addressed to: Tennessee State University, Attn: Linda Spears, VESP Administrator, Office of Human Resources, 3500 John A. Merritt Blvd., Nashville, TN 37209.

How can I confirm that my application was received? You will receive notification from the VESP Administrator that your application has been received.

If there are larger numbers of applications than expected, how will they be selected for acceptance? If more Eligible Employees in an employee group elect to participate in the VESP, applications for Eligible Employees in that group will be considered based on appropriate factors, including the timing of the date/time of application received by the VESP Administrator, needs of the department and University, and seniority. The University, however, reserves the right, in its sole discretion, to accept and approve or deny more applications than anticipated.

When will applicants be notified of acceptance for the VESP? Applicants approved for participation in the program will be notified within 30 days after the deadline date to revoke the application.

What is the process for revoking my VESP application? You may revoke your application form on or before 4:30 pm on September 30, 2020 for employees and November 15, 2020 for faculty. Revocation must be in writing, preferably on the approved form, and submitted to the VESP Administrator.

F. Clearance Process

When will employees who are accepted for the VESP leave University employment? Unless approved otherwise in writing, a Participant's employment with the University shall terminate on October 31, 2020 for employees and December 15, 2020 for faculty.

What other requirements do I need to attend to for clearing the University? All University property (i.e., keys, documents and records, uniforms, identification cards, etc.) shall be returned by a Participant to the University on or before his or her Voluntary Separation Date, along with a check-out form completed by the department and the final completed timesheet signed by the employee and supervisor, in order for such Participant to receive the voluntary separation package.

G. Waiver and Release Agreement

What is a Waiver & Release Agreement? By signing the Waiver & Release Agreement, the participant agrees that this separation is voluntary, and he/she will not make claims against the University nor apply for unemployment.

Can I sign and send in my Waiver and Release Agreement early?

Yes. The Waiver and Release Agreement must be signed and submitted to the VESP Administrator by September 30, 2020 for staff and November 15, 2020 for faculty.

What is the process for revoking a signed Waiver & Release Agreement?

A participant may revoke the signed Waiver & Release within 7 days of the date he/she submits the signed Waiver & Release to the VESP Administrator. It must be submitted in writing and received by one of the methods set forth previously. A Participant who timely revokes his or her Waiver and Release Agreement shall be deemed to have voluntarily resigned from employment as of the Voluntary Separation Date and will not be eligible to receive any severance pay or benefits under the VESP.

H. Retirement

Can I be approved into the VESP and also retire? Yes. If you are eligible for retirement, you may also file for retirement.

If I am approved for the VESP and retire by October 31, 2020 for employees and December 15, 2020 for faculty, may I remain on the payroll to exhaust my annual leave? No. Participants, including retirees, will receive the payments for any (a) accrued but unused annual leave, compensatory time, or worked holidays or (b) accrued salary will be made in a lump sum payment on the Participants' last regular payroll.

I am eligible for retirement, but I don't want to retire unless I am certain I am accepted into the VESP. Can I wait to file retirement

papers when I know for sure if I am accepted into the VESP? Yes. You can wait to file for retirement after acceptance into the VESP. Keep in mind this may delay your retirement benefit from the vendor.

Will my sick leave still count toward retirement if I participate in the VESP? Yes and no, depending upon your retirement vendor. If you are a TCRS retiree, you will receive service credit for your sick leave. If you are an ORP retiree, you do not receive service credit for sick leave.

What if I am not eligible to file for retirement now but will be at a future date? You may file for retirement at the time you become eligible.

Will the severance payment and other payouts count towards my TCRS retirement salary credit? No.

Will ORP retirement contributions be paid on the severance payment or other payouts? No.

How can I estimate the value of my retirement benefit? Contact your retirement vendor.

- **TCRS** – Create an online profile, if you haven't already. Call 800-922-7772 Monday – Friday 8am – 7pm if you need assistance or have questions.

- **401k/457/ROTH** – Register for an online profile, if you haven't already. Call 800-922-7772 Monday – Friday 8am – 7pm if you need assistance or have questions.

- **Optional Retirement Program (ORP)** – Scroll down to your vendor and create an online profile, if you haven't already. You may also contact the ORP representative.

- o TIAA – Amber Jones 865-766-4030 amber.jones@tiaa.org

- o AIG/Valic – Aristotle McDonald 615-707-2004
aristotle.mcdonald@aig.com

- o Voya – Ed Stewart 615-627-5936 ed.stewart@voyafa.com

- **Social Security Administration (SSA)** - Create an online profile, if you haven't already. Call 800-772-1213 if you need assistance.

I. Insurance Continuation

If I participate in the VESP, how do I continue medical insurance?

Non-retirees: You will have the option to continue insurance through COBRA. The State of TN Benefits Administration will mail your COBRA enrollment information to your home address. Call Benefits Administration at 800-253-9981 for premium rates.

Retirees under age 65: You will have the opportunity to continue your same coverage at a premium based on your years of service.

For retirees age 65 and over: Your University coverage will end with your separation of employment. Medicare will become primary coverage. Please contact TN SHIP at 877-801-0044 for assistance with navigating Medicare and Medicare Supplements.

If I participate in the VESP, how do I continue dental and vision insurance? You will have the option to continue insurance through COBRA. The State of TN Benefits Administration will mail your COBRA enrollment information to your home address. Call Benefits Administration at 800-253-9981 for premium rates.

If I participant in the VESP, how do I continue life insurance? For the basic term life that is included with the health insurance program and voluntary term life insurance, you will be mailed a conversion form from the underwriter, Securian Minnesota Life, 30 days after your coverage ends. For universal life coverage, contact UNUM at 866-298-7636 to discuss options.

If I participate in the VESP, what happens to my ROTH, 401(k), 457 or 403(b) account(s)? After your Voluntary Separation Date, you will have the option to maintain the account(s) with the vendor, roll it over to another qualified account, or take a withdrawal. Tax penalties may apply. Please contact the vendor with further questions.

· 401k/457/ROTH – Register for an online profile, if you haven't already done so. Call 800-922-7772 Monday – Friday 8am – 7pm if you need assistance or have questions.

For the 403b accounts:

- TIAA – Amber Jones 865-766-4030 amber.jones@tiaa.org
- AIG/Valic – Aristotle McDonald 615-707-2004
aristotle.mcdonald@aig.com
- Voya – Ed Stewart 615-627-5936 ed.stewart@voyafa.com

When will my insurance (health, life, dental) coverage end if I am accepted into the VESP? Insurance is paid one month in advance and thus extends your coverage until the month after your last date of employment. For staff employees, coverage will end November 30, 2020 and for faculty, coverage will end January 31, 2021.

If there is any difference between an explanation on this website and the VESP Document, the terms of the VESP Document will control.