



TENNESSEE STATE UNIVERSITY

Voluntary Separation Plan
Frequently Asked Questions

CONTENTS

Eligibility	<u>3</u>
Payment	<u>5</u>
Additional Benefits	<u>8</u>
Re-Employment	<u>9</u>
Application Process and Revocation	<u>10</u>
Waiver and Release Agreement	<u>11</u>
Retirement	<u>12</u>
Insurance	<u>15</u>
Separation Logistics	<u>18</u>
Key Deadlines	<u>19</u>

Eligibility (1/2)

Question: Who is eligible for the VSP?

Answer:

Eligible Employees	Ineligible Employees
<ul style="list-style-type: none">• Actively employed faculty members• With at least five (5) total years of service to the University• In a regular, full-time position	<ul style="list-style-type: none">• Individuals with less than five (5) total years of service to the University• Non-faculty employees• Employees in part-time positions• Contract or temporary employees• Employees in critical grant-funded positions (primarily funded by a grant, or whose services are critical to the grant activity, awarded or under submission)• Academic Deans• Members of the President's Cabinet• Employees who submitted a notice of retirement or resignation before March 8, 2026

Note: Faculty members with additional administrative roles maintain VSP eligibility if they meet all eligibility requirements. If you are still unsure whether you are eligible, contact vsp@tnstate.edu.

Eligibility (2/2)

Question: Does applying to the VSP guarantee acceptance?

Answer: No.

The University **may deny participation** of any applicant based on **business continuity and campus needs**, including the academic and programmatic needs of specific departments.

These circumstances include, but are not limited to situations where the employee:

- Performs a critical function for the University;
- Is the only employee performing that function such that the person's job responsibilities cannot be shifted or replaced; or,
- Because of the critical nature of the function that the employee fulfills, there is insufficient time to hire a replacement for the employee without severe damage to the operations or academic offerings of the University.

Applications will be screened based on University-wide and department-level **accreditation requirements, programmatic needs, and availability of funds**. Applicants will be prioritized within and across departments by multiple factors, including **seniority at TSU**.

Question: If I'm not accepted to the VSP, will there be any impact to my current employment contract?

Answer: No.

Eligible individuals who are not accepted to the program will remain employed under the terms of their existing contract.

Payment (1/3)

Question: *How is the payout structured?*

Answer: Each Participant in the VSP will receive:

- A “base separation incentive payment” equal to **one year of their base salary**, not inclusive of extra service pay or additional stipends;
- An amount equivalent to **twelve (12) months** of the **University’s portion of the monthly health insurance premium** paid on the employee’s behalf by the University based on actual plan election; and
- The value of any **unused annual leave** employees are entitled to upon separation from the University.**

Question: *What do you mean by an amount equivalent to twelve (12) months of the University's portion of health insurance?*

Answer: This payment will include a lump-sum amount equal to what the University contributes to an employee’s health insurance premiums over a 12-month period. However, it does not pay for insurance continuation, nor does it guarantee continuation of health insurance. This stipend is designed to **help offset the cost of continuing health insurance** coverage through COBRA after separating from the University.

Question: *Can I defer the separation incentive payment to my 401(k), Roth 401, 457, and/or 403(b)?*

Answer: No.

IRS regulations do not allow the separation incentive payment to be deferred into these programs. Regular earnings and annual leave may be deferred.

** *Accrued but unused annual leave will be paid out in accordance with existing TSU policy, and is not part of the VSP payout structure.*

* *If there is any difference between an explanation on this FAQ sheet and the VSP Document, the terms of the VSP Document will control. This is a working document and is subject to revision.*

Payment (2/3)

Question: When will I receive payment for my accrued annual leave and separation incentive payment?

Answer:

- 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.
- The Separation Incentive Payment (including the equivalent of one year of base salary and the amount equivalent to twelve months of the University's portion of the monthly health insurance premium paid on the employee's behalf) will be made by **June 30, 2026**, following the timely receipt of the Waiver and Release Agreement.

Question: Will the separation incentive payment be taxed?

Answer: Yes.

This is required by federal law. The separation incentive payment is subject to all federal taxes. We strongly encourage you to consult with your personal tax advisor to understand how your participation may impact you.

Payment (3/3)

Question: *Will the annual leave payout be taxed?*

Answer: Yes.

This is required by federal law. The annual leave payout is subject to all federal taxes. We strongly encourage you to consult with your personal tax advisor to understand how your participation may impact you.

Question: *If I am a 9-month faculty member and elected to be paid over a 12-month period and choose to separate, will I also receive the balance of any outstanding salary payments?*

Answer: It depends.

Faculty will receive the balance of any unpaid deferred compensation that they are entitled to (if any) for the remainder of the 2025-2026 academic year, in addition to the base separation incentive payment. Generally speaking, if a faculty member started at the beginning of the academic year and is scheduled to receive deferred compensation over the summer months, they will receive a payout for the deferred compensation. Deferred compensation owed, if any, will be paid out as part of a lump-sum payment upon your separation from the University.

Additional Benefits

Question: *If I accept the VSP and voluntarily separate from the University, is my child or spouse still eligible for the Spouse/Dependent fee discount program for Fall 2026?*

Answer: No.

The Spouse/Dependent fee discount program eligibility is determined by employee status on the first day of classes. Given the Voluntary Separation Date will occur before the fall semester begins, the children/spouses of those who accept the VSP will not be eligible for the fee discount program.

Question: *If I retire through the VSP, will this impact other retiree education benefits?*

Answer: No.

Any benefit for which you are eligible as a retiree will not be affected by the VSP.

Re-Employment

Question: If I am accepted into the VSP, can I be re-hired by the University?

Answer: No.

You **may not be rehired for a period of three (3) years** from the separation date, to work in any capacity—whether as an employee, temporary employee, adjunct faculty, independent contractor, or as a consultant—at Tennessee State University.

Question: If I am accepted in the VSP, 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?

Answer: No.

If you return to regular employment at the University following the three-year rehire restriction, your retirement credit, sick leave, and longevity credit may be reinstated.

Application Process and Revocation

Question: When are applications due?

Answer: No later than 4:30 P.M. CT on or before **Friday, April 24, 2026**.

Question: How do I submit my application?

Answer: Applications must be submitted and electronically signed via Dynamic Forms, which can be found [here](#) or at <https://www.tnstate.edu/hr/>.

Question: How can I confirm that my application was received?

Answer: Applicants will receive an automatic confirmation email upon submission. If you do not receive it within 24 hours, please check your spam folder. If it is still missing, contact vsp@tnstate.edu for assistance.

Question: When will applicants be notified of acceptance for the VSP?

Answer: No later than **May 22, 2026**.

Question: What is the process for revoking my VSP application?

Answer: You may revoke your application form on or before 4:30 P.M. CT on **May 1, 2026**. Revocations must be on the approved form and submitted to the VSP Administrator via Dynamic Forms, which can be found [here](#) or at <https://www.tnstate.edu/hr/>.

Waiver and Release Agreement

Question: What is a Waiver & Release Agreement?

Answer: By signing the Waiver & Release Agreement, you are agreeing that this separation is **voluntary**, and you will **not make claims** against the University **nor apply for unemployment**.

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

Answer: Yes.

The Waiver and Release Agreement must be signed and submitted to the VSP Administrator (the Chief Human Resources Officer) via Dynamic Forms [here](#) between notice of acceptance into the VSP and 4:30 PM CT **May 29, 2026**.

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

Answer: A participant may revoke the signed Waiver & Release **within 7 days** of the date he/she submits the signed Waiver & Release to the VSP Administrator. It must be submitted via the Dynamic Form [here](#). A Participant who timely revokes his or her Waiver and Release Agreement **will not be eligible to receive any separation incentive pay or benefits under the VSP**.

Retirement (1/3)

Question: If I have already officially notified the University of my intent to retire at the end of the year, can I still receive the VSP?

Answer: No.

If you have submitted an effective notice of retirement prior to **March 8, 2026**, you are not eligible to receive the VSP.

Question: Can I be accepted into the VSP and also retire?

Answer: Yes.

If you are eligible for retirement, you may also file for retirement. Employees that are eligible for state retirement benefits and who elect to voluntarily terminate their employment before their VSP application is approved (**before May 29, 2026**) will be terminated from employment regardless of whether their VSP application is approved or denied. Employees should consider waiting until a final decision is made on an application for the VSP before retiring from the University to maintain program eligibility.

Question: If I am eligible for retirement and choose to apply for the VSP, do I need to retire?

Answer: No.

You are not obligated to retire if you are eligible for retirement and accepted into the VSP. Individuals eligible for both the VSP and retirement are encouraged to consult their personal attorneys, tax accountants, financial consultants, or other professionals, at their own expense, to assess their options and review the Waiver and Release Agreement.

Retirement (2/3)

Question: *If I am approved for the VSP and retire by May 29, 2026, may I remain on the payroll to exhaust my annual leave?*

Answer: No.

All participants will receive the payments for any (a) accrued but unused annual leave, compensatory time, or worked holidays or (b) accrued salary in a lump sum payment on their last regular payroll.

Question: *Will my sick leave still count toward retirement if I participate in the VSP?*

Answer: Maybe, depending on 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.

Question: *What if I am not eligible to file for retirement now but will be at a future date?*

Answer: You may file for retirement at the time you become eligible. For additional information on retirement eligibility and benefits, please refer to <https://www.tnstate.edu/hr/retirement.aspx> or contact vsp@tnstate.edu.

Question: *Will the separation incentive payment and other payouts count towards my TCRS retirement salary credit?*

Answer: No.

Retirement (3/3)

Question: Will ORP retirement contributions be paid on the separation incentive payment or other payouts?

Answer: No.

Question: How can I estimate the value of my retirement benefit?

Answer: Contact your retirement vendor.

- **TCRS:** Create an online profile, if you haven't already. Call 800-922-7772 Monday – Friday 8 A.M. – 7 P.M. 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 8 A.M. – 7 P.M. 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.
 - **TIAA** – Rosaline Banks; 901-498-6165; Rosaline.Banks@tiaa.org
 - **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.

Find more information on retirement at <https://www.tnstate.edu/hr/retirement.aspx>.

Insurance (1/3)

Question: *If I participate in the VSP, how do I continue medical insurance?*

Answer: The ability to enroll in medical insurance depends on one's retirement status and age.

- **Non-retirees:** Individuals who will not retire after taking the VSP will have the option to purchase 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 (If you were hired after July 1, 2015 AND you have NO prior state of Tennessee service, you are not eligible to continue group insurance at retirement).
- **For retirees age 65 and over:** Your University coverage will end with your separation of employment. Medicare will become your primary coverage. Please contact TN SHIP at 877-801-0044 for assistance with enrolling in Medicare and Medicare Supplements.

*As previously stated, VSP participants will receive a payout amount equivalent to **twelve (12) months** of the University's portion of the monthly health insurance premium paid on the employee's behalf, based on their health plan coverage at the time they submit their VSP application. Applicants can use this money to help afford insurance through COBRA.*

Question: *If I participate in the VSP, how do I continue dental and vision insurance?*

Answer: 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.

Insurance (2/3)

Question: *If I participate in the VSP, how do I continue life insurance?*

Answer:

- 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.
- If you are enrolled in universal life insurance coverage under Securian Financial, for information, contact 866-881-0631 to discuss options.
- If you are enrolled in universal life insurance coverage under UNUM, for information, contact 866-298-7636 to discuss options.

Question: *When will my insurance (health, life, dental) coverage end if I am accepted into the VSP?*

Answer: Insurance is paid one month in advance and thus extends your coverage until the month after your last date of employment; coverage will end on **June 30, 2026**.

Insurance (3/3)

Question: *If I use the payout amount equivalent to twelve (12) months of the University's portion of the monthly health insurance premium paid on the employee's behalf towards COBRA, what will this look like?*

Answer: For example, if you are currently enrolled in the employee only BCBST Network S Premier PPO, your monthly cost is \$177, and the monthly employer share is **\$707**, making the total monthly cost of health insurance \$884. Under this scenario in the VSP, you would receive a lump sum equivalent of **\$10,608 – 12 times \$707**.

The total monthly cost of COBRA for the same plan is \$901.68 per month. So, you will effectively pay \$17.68 more for your health insurance out of pocket per month than you would have had you remained employed at TSU.

Question: *Where can I learn more about COBRA and access to health insurance coverage after separation?*

Answer: The University will not speculate on an individual's health insurance costs upon separation. Please see the below resources for additional information:

- Information provided by the US Department of Labor – <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra>
- Information provided by the State of Tennessee – <https://benefitssupport.tn.gov/hc/en-us/sections/203947937-COBRA>
- Information provided by the State of Tennessee – https://www.tn.gov/content/dam/tn/partnersforhealth/documents/2026-premiums/premium_state_cobra_26.pdf

Separation Logistics

Question: *When will VSP participants' last day of employment with the University be?*

Answer: Unless approved otherwise in writing, a Participant's employment with the University will terminate on **May 29, 2026**.

Question: *What other requirements do I need to attend to for leaving the University?*

Answer: All University property (i.e., keys, documents and records, uniforms, identification cards, etc.) must be returned to the University on or before your Voluntary Separation Date (May 29, 2026), along with a check-out form completed by the department and the final completed timesheet signed by the employee and supervisor, in order to receive the voluntary separation package.

Key Deadlines

Question: *What deadlines should I be aware of?*

Answer:

Date	Deadline
March 9, 2026	Eligible employees notified of VSP availability
April 24, 2026	Applications due via Dynamic Forms no later than 4:30 P.M. CT
May 1, 2026	Revocation of applications due via Dynamic Forms no later than 4:30 P.M. CT
May 22, 2026	Notification of acceptance or denial into the VSP
May 29, 2026	Signed Waiver and Release Agreements due via Dynamic Forms no later than 4:30 P.M. CT
May 29, 2026	Voluntary Separation Date for most employees, unless otherwise notified in writing
June 5, 2026	Waiver and Release Agreement Revocation Requests due via Dynamic Forms no later than 4:30 P.M. CT
June 30, 2026	Lump-sum payments dispersed to VSP participants