

**BOARD OF TRUSTEES  
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

<b>BOARD POLICY</b>		<b>4.11</b>	
Chapter	4.	Chapter Name	Human Resources
Section	4.11	Policy Name	Board Early Separation Incentive Program

**4.11 BOARD EARLY SEPARATION INCENTIVE PROGRAM.**

**Part 1. Purpose.** The purpose of this policy is to implement time-limited early separation incentives authorized by Minnesota Statutes section 136F.481 (2009 Laws of Minnesota, Chapter 169, Article 6, Sections 1 and 2). The goal of the incentive program is to encourage early separation of selected employees from employment with Minnesota State Colleges and Universities, in order to:

1. Reduce salary and benefit obligations in anticipation of reduced state funding;
2. Reallocate resources to departments and programs in response to changing needs or strategic objectives; or
3. Achieve other cost savings or efficiencies.

This early separation incentive is intended to supplement the range of budget management options available to the presidents and chancellor. Nothing in this policy shall be construed to create an employee right or entitlement to an early separation incentive.

**Part 2. Definitions.**

**Subpart A. Board early separation incentive.** Board early separation incentive means the total amount provided under this policy to an eligible employee through a contribution to the health care savings plan administered by the Minnesota State Retirement System or cash payment, or both, in exchange for the employee's voluntary separation from employment on a specified date.

**Subpart B. Continuing position.** A continuing position means an employment position of a classified or unclassified employee of Minnesota State Colleges and Universities that:

1. Has no specified end-date and is occupied by an employee with tenure, probationary, non-tenure track, or permanent status; or
2. Is an unclassified position occupied by an at-will employee on other than a temporary, interim or acting basis.
3. Is not held by an at-will employee with an individual employment agreement under Minnesota Statutes section 136F.40.

**Subpart C. Continuous service.** Continuous service means five years of continuous employment service with Minnesota State Colleges and Universities that meets one of the following:

1. Non-faculty employees with academic seasonal appointments and faculty members must have completed ten consecutive semesters of employment with Minnesota State Colleges and Universities immediately prior to separation from employment. The ten consecutive semesters includes any paid or unpaid leaves of absence, but does not include summer academic terms.
2. An administrator or other employee with a full year appointment must have five years of continuous employment, including any paid or unpaid leaves of absence, with Minnesota State Colleges and Universities immediately prior to separation.
3. Employees who have a combination of faculty, academic seasonal, and full year employment in the five years immediately prior to separation may meet the five year continuous service requirement if their employment history is reviewed and approved by the chancellor or designee as meeting the intent of the law and this policy.

### **Part 3. Eligibility.**

**Subpart A. Intent.** A board early separation incentive shall be approved by a president or the chancellor only if the incentive is designed to meet the intent and purposes of this policy.

#### **Subpart B. Authority.**

1. The president or chancellor has sole discretion over whether to provide a board early separation incentive.
2. Presidents may identify positions at their college or university for elimination or replacement. The chancellor may identify positions for elimination or replacement within the office of the chancellor.

**Subpart C. Employee eligibility.** An employee may be provided a board early separation incentive only if all of the following conditions are met:

1. The employee occupies a continuing position within Minnesota State Colleges and Universities at the time of separation from employment;
2. The employee's position is identified for elimination or replacement by the president or chancellor;
3. The employee is at least 55 years of age at the time of separation from employment;
4. The employee has completed at least five years of continuous service as provided in this policy;
5. The employee is eligible for employer contributions for health and dental insurance premiums, whether or not the employee chooses to receive them; and
6. The employee voluntarily accepts the board early separation incentive and signs a statement indicating his or her voluntary acceptance of the board early separation incentive and the date of separation from employment.

**Part 4. Amount and Form of Incentive.** The president or chancellor shall determine the amount of the board early separation incentive and the separation date, subject to the limitations and requirements of this policy.

**Subpart A. Maximum amount.** The total cost of a board early separation incentive paid under this policy shall not exceed the employee's annual base salary rate in effect at the time of separation. When determining the amount of a board early separation incentive, the president or

chancellor shall consider any other separation payments or incentives available to affected employees.

**Subpart B. Allocation of incentive.** The board early separation incentive shall be allocated between health care savings plan contributions and cash payments as follows:

1. To the health care savings account, to the extent that:
  - a. The president or chancellor has made available board early separation incentive funding for the individual in accordance with this policy; and
  - b. Projected health care insurance premiums from the date of separation to age 70 (age 65 for faculty members represented by the Inter Faculty Organization and the Minnesota State College Faculty) would not otherwise be covered by the individual's applicable collective bargaining agreement or compensation plan.
2. If the board separation incentive exceeds the amount necessary to meet the contribution in paragraph 1 of this part, payment shall be made in cash to the individual. A cash payment shall not exceed the lesser of:
  - a. The amount of the board early separation incentive available to the individual after contributions made under 1, above; or
  - b. The established limitations on cash payments in Minnesota Statutes sections 136F.481 and 43A.17, Subd. 11.
3. If any portion of the identified board early separation incentive remains following allocation under paragraphs 1 and 2 above, the remainder shall be contributed to the individual's health care savings plan.

**Subpart C. Notice period.** An employee shall be provided not fewer than 21 calendar days to consider whether to accept a board early separation incentive.

**Part 5. Other Separation Incentives.** The receipt of a board early separation incentive under this policy shall not affect an employee's eligibility, if any, for severance pay, early separation incentives, early notice of retirement incentives or other separation payments available to the employee.

**Part 6. Re-employment.** An employee who accepts and receives a board separation incentive pursuant to this policy shall not be re-employed or enter into a contract for services within Minnesota State Colleges and Universities, including its colleges, universities or the office of the chancellor, for at least one year following separation from employment, unless authorized by the chancellor or designee because of exigent circumstances facing the college, university, or office of the chancellor. Thereafter, employment of a recipient of a board early separation incentive is subject to Board Policy 4.6.

**Part 7. Report.** The chancellor shall establish annual reporting requirements concerning board early separation incentives paid, and annually shall submit a report to the board and legislature.

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