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| ADMINISTRATIVE DIVISION HR Division of Human Resources | | POLICY NUMBER HR X.XX (NEW) | |
| POLICY TITLE Separation Incentives | | | |
| SCOPE OF POLICY USC System | | DATE OF REVISION XXXXXX | |
| RESPONSIBLE OFFICER Vice President for Human Resources | | ADMINISTRATIVE OFFICE Division of Human Resources | |

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PURPOSE

The state of South Carolina allows state agencies to implement separation incentive programs to realign resources and/or permanently downsize based on the ability to demonstrate recurring cost savings. This policy describes the way the University of South Carolina will implement and utilize two separation incentive programs: Retirement Incentive Program (RIP) and Voluntary Separation Program (VSP).

DEFINITIONS

Full-Time Equivalent (FTE) is a position authorized by the General Assembly which is expressed as a numerical value as a percentage of time in hours and of funds.

South Carolina Retirement System (SCRS) is a defined benefit pension plan administered by the Public Employee Benefit Authority for eligible public employees of the state, higher education, and public school districts, as well as, counties, cities and municipalities and other local political subdivision and governmental entities.

South Carolina Police Officers' Retirement System (PORS) is a defined benefit pension plan administered by the Public Employee Benefit Authority for eligible police officers and fire fighters who are employed by counties, municipalities, and other local subdivisions in South Carolina and who participate in the plan.

POLICY STATEMENT

The Retirement Incentive Program and the Voluntary Separation Program are management tools which allow units to maximize savings by offering options for employees to voluntarily retire. These programs are not designed as a universal employee benefit. The scope and terms of each RIP or VSP plan must be

developed by the unit in consultation with the Division of Human Resources. All plans must be approved by the State Division of Human Resources.

Decisions to request participation in the program are voluntary by each eligible employee. Employees choosing to participate in the program must retire and separate from service no later than the effective separation date as specified in the approved plan. Participation in either program is not a grievable or appealable action.

Program Benefits:

The RIP allows units to purchase service credit on behalf of employees who are currently eligible to retire or purchase the amount of time necessary to make employees eligible to retire. Additionally, participating employees will receive payment for any unused annual leave balance as provided for in HR 1.03 Annual Leave and qualified employees may be eligible to receive service credit for up to 90 days of unused sick leave.

The VSP allow units to provide employees with a separation payment not to exceed one year's salary and to continue health and dental coverage for up to one year for employees who are eligible for such coverage at the time of acceptance. Additionally, employees will receive payment for unused annual leave balances as provided for in HR 1.03 Annual Leave.

Eligibility Requirements:

Eligibility in either program is limited to FTE employees who are within the defined scope of the approved program. Employees who are exempt from the State Employee Grievance Procedure Act are not eligible to participate.

Participation in the RIP is limited to employees who are currently eligible to retire under the SC Retirement System (SCRS) or the Police Officers Retirement System (PORS), or who purchase enough service credit to become eligible to retire.

Participants in the VSP may not have submitted a prior notice of resignation.

Employees may not participate in more than one separation incentive program.

Re-employment restrictions:

RIP participants are not eligible for FTE positions with the University of South Carolina for two calendar years following their retirement date.

VSP participants who are hired into FTE positions with the State of South Carolina within two calendar years following their retirement date are required to pay back their VSP award on a pro-rated basis.

Plan Requirements:

All RIP and VSP plans must demonstrate recurring savings to the unit. Cost savings must be demonstrated within two fiscal years, beginning in the fiscal year in which the separation occurs. All expenses related to RIP and VSP plans must be covered from the unit's existing funds.

The cost of the benefit provided to the employee may not exceed one year of the employee's salary.

PROCEDURES

Procedures, forms and general guidance related to this policy can be found on the Division of Human Resources website at <http://hr.sc.edu/>.

RELATED UNIVERSITY, STATE AND FEDERAL POLICIES

South Carolina Code of Laws Sections 9-1-1140 (I) and 9-11-50 (I)

South Carolina Annual Appropriations Act Section 117.32

HR 1.03 Annual Leave

HR 1.06 Sick Leave

HR 1.57 Separation from Employment and Break in Service

HISTORY OF REVISIONS

| DATE OF REVISION | REASON FOR REVISION |
|-------------------------|----------------------------|
| xxxx | New Policy |