



University of NORTH ALABAMA

SPECIAL VOLUNTARY RETIREMENT INCENTIVE PROGRAM SUMMARY

*****Pending Board Approval*****

PROGRAM INTRODUCTION

Pending final approval by the Board of Trustees, the University of North Alabama (“University” or “UNA”) is offering a special voluntary retirement incentive program (sometimes herein the “SVRI” or the “SVRI Program”) to all eligible University employees who voluntarily separate from service on May 31, 2020 and begin retirement on June 1, 2020. The SVRI is being offered to assist the University with reducing salary and wage benefit costs and to capture the bulk of these savings during fiscal years 2021 and 2022.

PROGRAM DESCRIPTION

The SVRI is an opportunity for all eligible University employees to receive a financial incentive to voluntarily retire from service at an earlier date than might otherwise have been planned. Participation in the SVRI is completely voluntary. Following voluntary separation and retirement from the University, SVRI participants who enter into a Confidential Separation Agreement and Release of All Claims (“Separation Agreement and Release”) will receive a lump-sum incentive payment, payable in one or two installments, as described below.

[SVRI Applications](#) will be accepted for a limited period of time, starting on January 13, 2020 and ending at noon on Friday, February 28, 2020. See the “Application” section of this document for specific information regarding the application for SVRI participation.

An employee’s separation from employment under the SVRI Program will take effect May 31, 2020 with an effective retirement date of June 1, 2020.

SEPARATION AGREEMENT

SVRI participants will be given at least 45 calendar days to consider the Separation Agreement and Release and are advised to consult with their attorney before signing the Separation Agreement and Release. An eligible employee may revoke his or her participation in the SVRI at any time by revoking (canceling) the Separation Agreement and Release for a period of seven (7) calendar days after signing the Separation Agreement and Release. There are no ramifications for revoking a decision to participate, or for declining participation, in the SVRI Program.

PROGRAM ELIGIBILITY

Unless prohibited as later described herein, all full-time employees are eligible to participate in the SVRI if they are considered “retirement eligible” by the Teachers’ Retirement System (“TRS”) **by May 31, 2020**. To be considered “retirement eligible” by the TRS, an employee must:

- a) Have at least 25 years of full-time service, or
- b) Be at least age 60 with at least 10 years of full-time service, and
- c) Be actively employed on May 31, 2020.

An employee who satisfies items a) and/or b) AND c) of the above eligibility requirements by May 31, 2020 may participate in the SVRI even if he or she has already given notice of his or her intention to retire or otherwise terminate employment, except as noted below.

PROGRAM INELIGIBILITY

Notwithstanding the above, the following employees and individuals are not eligible for participation in the SVRI:

- Part-Time and Temporary employees, including adjunct, and
- Externally-funded employees.

PROGRAM INCENTIVE BENEFITS

Participants are eligible for a **lump-sum payment*** equal to 2% of base salary** for every year of eligible UNA service*** not to exceed 100% of base salary.

Participants will have the option to receive the payment in one lump sum on June 12, 2020 or in two equal installments, one on June 12, 2020 and the balance on January 15, 2021.

** Lump-sum payments are subject to all applicable withholdings and deductions for state and federal taxes.*

*** Base salary (as of January 1, 2020), excluding all overtime, shift differential, summer pay, stipends and/or supplements.*

**** Eligible service at UNA is limited to continuous, full-time, regular appointment(s). Transferred service is not included in this calculation; purchased service is excluded unless service was at UNA and meets the aforementioned type of appointment. Leaves of absence without pay are excluded from the eligible service calculation.*

PROGRAM TERMS AND CONDITIONS

Participation in the SVRI is limited to the following terms and conditions:

- Participation in the SVRI is voluntary.
- Program participants will be entitled to all rights and privileges of any other University retiree.
- Eligible SVRI participants will also receive a separate lump-sum payment for any accrued, unused annual leave or compensatory time, if applicable, following the completion of the campus clearance process.
- To participate in the SRVI Program and to receive the SRVI benefits, participants must timely meet all SRVI Program deadlines and must sign a Separation Agreement and Release, releasing the University from any and all claims, including but not limited to, any and all claims that may arise from participants' employment with, or retirement or separation from, the University.
- Participants may not, for a period of at least two years following their retirement date, knowingly apply for or accept full-time, regular employment with the University. Any future employment with the University is subject to Alabama Code Section 36-27-8.2 (Performance of Duties by Retired Persons).

PROGRAM APPLICATION AND PARTICIPATION TIMELINES AND PROCEDURES:

Event	Date	Deadline
Announcement	January 13	
Application Period	January 13 – February 28	
DEADLINE: Application (to Human Resources)		February 28 @ noon
Distribution of a Copy of the Separation Agreement and Release to applicants only (this copy is not intended for signing but for review only; review by financial advisor and/or attorney advised)	March 6 by 4:30 p.m.	
Distribution of Benefits Disclosure and Election Form	March 6 by 4:30 p.m.	
DEADLINE: Benefits Disclosure and Election Form-signed (to Human Resources)		March 11 @ 4:30 p.m.

Distribution of the Separation Agreement and Release (this copy IS intended for signing; review by financial advisor and/or attorney advised)	March 13 (on or before)	
TRS Retirement Application Period	March 13 – April 27	
DEADLINE: Participation Materials (to Human Resources)		April 27 @ 4:30 p.m.
Separation Agreement and Release Deadline (to Human Resources)		April 27 @ 4:30 p.m.
Last Day to Revoke/Cancel the Separation Agreement and Release		7th calendar day after signing by employee

Application: To apply for, and participate in, the SVRI Program, an eligible employee must complete and submit the [Application for Consideration: Special Voluntary Retirement Incentive Program](#). Application for the SVRI does not obligate the employee to participate in the SVRI Program. Rather, the application simply indicates the applicant’s interest in receiving an official SVRI Benefits Disclosure and Election Form.

The SVRI application period begins on January 13, 2020. Applications will be submitted via Adobe Sign using the link above. Completed and signed applications must be received in the Office of Human Resources by no later than **noon on Friday, February 28, 2020**. Failure to submit an application by this deadline will result in loss of eligibility to participate in the SVRI program.

Benefits Disclosure and Election Form: Each applicant will receive an SVRI Benefits Disclosure and Election Form from the Office of Human Resources on March 6, 2020 by 4:30 p.m. The form will be sent via email and will be an AdobeSign document. The form will confirm each applicant’s eligibility status, provide disclosure of the incentive benefit amount, allow for selection of the payment in one or two installments and will also direct the employee to indicate his or her desire to participate or waive participation in the SVRI Program. At the time the Benefits Disclosure and Election Form is distributed to an applicant, a Separation Agreement and Release (not intended for signing but for review only) will also be distributed to each applicant.

The completed Benefits Disclosure and Election Form must be received in the Office of Human Resources by no later than **4:30 p.m. on Wednesday, March 11** in order for an applicant to become an SVRI participant.

Distribution of Separation Agreement and Release: On or before March 13, 2020, the Separation Agreement and Release with the electing eligible employee’s name inserted for signing and a copy of the employee’s signed Benefits Disclosure and Election Form attached will be distributed via email to each employee timely submitting a signed Benefits Disclosure and Election Form for the electing employee’s review and signature. The employee is advised to consult with his/her attorney before signing the Separation Agreement and Release.

Participation and Retirement Materials; Separation Agreement and Release: Those who wish to participate in the SVRI, separate from the University, and retire effective June 1, 2020 should contact the Office of Human Resources during the Participation and TRS Application Period, referenced above, to schedule a meeting with a Human Resources representative prior to the April 27 deadline so that individual questions may be asked and paperwork may be completed in a timely manner.

To participate, eligible employees must submit the following **IN PERSON** on or before Friday, April 27, 2020 at 4:30 p.m.:

- The SVRI Letter of Intent to Retire effective June 1, 2020 (<http://www.una.edu/humanresources/special-voluntary-retirement-incentive.html>)
- An unsigned, completed TRS Retirement Application*

- The Separation Agreement and Release, unsigned*
*These documents must be notarized in the Office of Human Resources, so they should not be signed prior.

ADDITIONAL CONSIDERATIONS

- Lump-sum payments are taxable and will not count as earnable compensation for retirement income calculation purposes.
- Program will not increase the amount of service credit, nor will service credit purchases be allowed under the SVRI Program, other than currently allowed by law. Benefits will be calculated based on the retiree's actual service to UNA.

DISCLAIMERS

- The SVRI Program is subject to approval by the University Board of Trustees at the scheduled March 6, 2020 meeting.
- The University reserves the right to amend or terminate the SVRI at any time. Notwithstanding the foregoing, no amendment of the SVRI may reduce an SVRI payment or other consideration once an SVRI Separation Agreement and Release is fully executed and becomes legally binding.
- The University cannot provide individual tax or investment advice and recommends that you contact qualified tax counsel and investment advisors for assistance with individual questions regarding tax and investment planning.

NONDISCRIMINATION STATEMENT

It is the policy of the University to afford equal opportunities in education and in employment to qualified persons regardless of age, color, creed, disability, national origin, race, religion, or sex, in accordance with all applicable federal and state constitutions, laws, and valid regulations.