

2018 Voluntary Separation Incentive Program FAQs

1. **Are unclassified employees eligible for the VSIP program?**
Yes, employees in regular, legislatively approved FTE unclassified and classified positions are eligible to participate in this program.
2. **Are employees in positions not general funded eligible for the VSIP program?**
Yes, all current full-time and part-time employees filling regularly-funded FTE positions are eligible. The funding source is not a consideration of the eligibility criteria.
3. **If a federally funded employee applies for this program, does the agency need to find another funding source?**
Yes, if federal dollars have a stipulation on them, the agency would need to be considerate of that. It is recommended that the agency work with their federal funding contact or fiscal staff.
4. **Can employees who participate in the VSIP apply for other state jobs?**
Yes, however the Settlement Agreement and Release form requires that if a participating employee returns to state employment within three months of their separation date, he/she must repay a prorated portion of the severance payment to the former employing agency.
5. **If an employee is eligible for retirement, are they also eligible to participate in VSIP?**
Yes, employees who are eligible for retirement may participate in the VSIP program.
6. **If an employee submitted their retirement or resignation to their employer prior to the program rollout, would they be allowed to rescind it so they can apply for the VSIP program?**
No, if an employee has already submitted their resignation or retirement notice to their employer, they would not be able to rescind to participate in the VSIP.
7. **Are the dates set for the VSIP program or can this program be offered later?**
The dates for participating cabinet level agencies are set. We do not know what the need will be for this program in the future; however, we are not planning on offering it again at this time.
8. **Is there a specific dollar amount that is recommended to put aside for this program?**
No, there is no specific recommended dollar amount that an agency should put aside for this program. The agency will need to determine business needs and ensure the ability to deliver mandated services. This dollar amount would likely vary per agency.
9. **Is an employee's application for the VSIP program an open record?**
Yes, all documents related to the VSIP would be open records.
10. **Why do we have to give employees 45 days to decide whether that want to participate (plus 7 days to rescind)?**
This is required under the Age Discrimination in Employment Act (ADEA) to ensure that the employee's election is truly voluntary.
11. **Do all applications need to be accepted?**
No, agency director/managers should evaluate the agency needs and impact of the separation. Agency management must continue to fulfill the agency's business purpose while considering their budget when deciding which applications they will accept or deny.

- 12. Can an employer respond before the 45 calendar day timeframe for VSIP applications?**
Employers are encouraged to wait until all VSIP applications are received (after the 45 day timeframe) to make a decision regarding acceptance or rejection of VSIP applications. This ensures employers have a complete understanding of which employees want to participate, allowing the best decision to be made based upon the position duties assigned. The employer notification to employee should be within approximately 2-3 weeks following the VSIP application deadline.
- 13. Will compensatory time also be paid out?**
Yes, if the agency provides for an employee to earn compensatory time, it will be paid out.
- 14. Who determines the separation and termination effective date? Can the employee determine it or can the agency specify a certain date?**
The agency determines the separation and termination effective date based on the chosen option. Note that the separation date is the last day of work for the employee. The termination date is the date the employee is no longer an employee for the agency. The time period between employer notification date and termination date determines the timeframe allowed for employees to elect continuation of benefits prior to last payroll check cutoff date or apply for retirement benefits prior to the end of the month of termination.
- 15. Would the date of separation occur at the end of the selected option or after the seven day reconsideration time period?**
The date of separation will be determined by the agency. The timeline of the selected option is determined by that date.
- 16. Can an agency delay the separation date for an employee who has elected to participate in the VSIP program based on the agency's operational need (i.e. in order to complete a major project that is in process, other staffing considerations, etc.)?**
Yes, the agency determines the separation date for the employee based on the agency's business needs of the position; however the separation date of program participants must be no later than April 30, 2019.
- 17. Can an employee request a delay to the separation date?**
Yes, but the agency must ensure the decision to delay is made based on business needs of the agency and will not cause the separation date of program participants to be later than April 30, 2019.
- 18. Is there any option to have funds carry over from this biennium to help cover the cost for the next biennium?**
No, there are no carryover options for funds.
- 19. Will the VSIP be offered again during the 2017-2019 biennium?**
We do not know what the need will be in the future; however, we are not planning on offering it again at this time.
- 20. When does the seven day rescission period officially end?**
From a legal perspective, seven days after the employee signs the Separation Agreement and Release form.
- 21. With Option A, is Social Security taken out of the lump sum?**
Yes, taxes are taken at the supplemental rate, which is 25% federal withholding along with State taxes and FICA, which is social security and Medicare.
- 22. For Option A, is it based on the employee's salary as of the date of application to the program or as of the date of approval?**
The salary amount would be based on the salary as of the date of approval.

23. **In Option B, what level of health coverage will the employee receive (i.e. family or single)?**

The employee will receive the same level of health insurance they have currently.

24. **Can severance pay be rolled into deferred comp?**

No, severance pay is not eligible to be deferred.

25. **Under Option B, if your separation date is September 30th and you remain on payroll for 3 months, would your effective date for drawing retirement benefits be October 1st or January 1st?**

January 1st. Contributions will continue to be paid and you will receive the three additional months of service credit.

26. **Under Option B, will you still have your personal payroll deductions to include deferred comp, Life insurance, Dental insurance, Vision insurance?**

Yes.

27. **What is the cost of the monthly health premium?**

Rates through December 31, 2018.

	<u>COBRA</u>	<u>Medicare</u>
Single	\$609.50	\$284.74
Family	\$1,468.98	\$566.74*
1 Medicare /1 non-Medicare	N/A	\$765.38

*Premium is for 2 people on Medicare

28. **What happens to current flex funds for both medical and dependent care for the remainder of the current calendar year?**

o Medical Spending Account

- COBRA continuation - participation continues for the remainder of the plan year and contributions may be pre-taxed by notifying NDPERS prior to last payroll check cutoff date. Contributions must continue to be paid by the participant and claims incurred throughout the plan year can be submitted for reimbursement.
- If COBRA is not elected - participation ends on the last day of the month in which termination occurs and claims may be filed for any medical expenses incurred up to the end of the month in which termination occurs.

o Dependent Care Account – COBRA is not available. Participation ends on the last day of the month in which termination occurs and claims may be filed for any medical expenses incurred up to the end of the month in which termination occurs.