

## CASE WESTERN RESERVE UNIVERSITY 2020 STAFF VOLUNTARY RETIREMENT INCENTIVE PROGRAM

### PROGRAM PURPOSE

Case Western Reserve University ("CWRU") is committed to maintaining its strategic focus and mission in the face of a rapidly changing environment. This Voluntary Retirement Incentive Program ("VRIP" or "Program") allows the university to reduce expenses and align operating costs with our strategic priorities and goals so we can continue meeting challenges at our university and fulfilling our mission.

The VRIP set forth in this document gives staff members who meet the Program eligibility requirements, the opportunity to retire from Case Western Reserve University in return for financial consideration.

Like other universities nationwide, CWRU already has experienced budget cuts and is anticipating more in light of the COVID-19 pandemic and corresponding economic downturn. The university has prepared for the anticipated cuts, and this limited- basis Program is one aspect of a broader expense reduction plan. The Program is designed to provide a retirement option for eligible staff in order to facilitate re-allocation of resources in accord with the university's strategic planning goals, anticipated changes in student enrollment, and other changing financial needs.

### PROGRAM DESCRIPTION

- The VRIP is a voluntary retirement incentive program that provides eligible staff a financial incentive to retire from the university. The Program is entirely voluntary. No employee is required to apply for participation, and no employee is guaranteed that an application for participation will be granted by the university.
- Retirement agreements may be entered into only with eligible staff, as outlined below.
- The university will accept applications for the Program during an application period of 30 calendar days, beginning on June 24, 2020, and continuing through July 24, 2020, at 5:00 p.m. Applications for this Program will be reviewed and granted on a first come, first serve basis.
- The retirement date for most who choose to participate in the Program will be August 1, 2020 ("Retirement Date"), with July 31, 2020 being the last working date. However, in certain cases, the university may assign a later, but standardized, effective retirement date based on the Program's overall impact on the university's academic, operational and budgetary needs.
- Voluntary Separation and General Release of Claims agreements shall be offered to those who meet the eligibility criteria and whose applications are approved. The Vice President for Human Resources must be provided a list of eligible participants who choose not to apply and a list of eligible participants who applied but were not approved.

- Positions vacated by eligible staff that elect to participate must remain open for one full year after the participant's Retirement Date, unless the vacated position is deemed essential to university operations by the university President and Provost.
- Eligible persons who elect to participate in the Program are not eligible for re-hire except for in part-time non-benefits eligible positions. Any part-time rehire will not be permitted for a period of 12 months following the Retirement Date.
- In general, the university defines "annual salary" as the individual's current base salary without consideration of bonuses, overtime or other additional pay.
- No central university resources will be set aside for the Program costs. Funds to support Program participation must be identified within school/college or department resources. Therefore, not every eligible employee's request to participate may be approved. Applications will be considered in the order received.
- Eligible staff who participate in the Program shall not accrue vacation or sick leave and shall not be eligible to receive employer retirement contributions during the retirement incentive pay-out period. This means the retirement incentive payments will not result in any 403(b) retirement plan (CWRU Retirement Plans A and C) contribution by the employee or any contribution by CWRU. Eligible employees who participate in the Program will also not be eligible for any other benefits during the retirement incentive pay out period, other than the Program Benefits offered specifically as part of the Program.
- Eligible employees who participate shall be eligible to participate in any tuition waiver program that the university may offer for retirees and their spouses and dependent children, consistent with the requirements and limitations of a tuition waiver program. However, the university is not obligated to maintain such a tuition waiver program.
- This Program is not intended to provide retirement income, nor does it replace or alter the retirement plans sponsored by the university. The election to end employment with the university and to receive payments under the VRIP will not change distribution benefits provided under the university retirement plans that an electing employee member may otherwise be eligible to receive pursuant to the terms of those plans.
- Acceptance into the VRIP does not guarantee employment of the employee through the Retirement Date. Eligible employees electing to participate in the VRIP must continue to perform their job responsibilities and adhere to university policies and procedures until the effective date of retirement. If an application to the VRIP is granted by the university, but the employee's employment is terminated by either the university or the employee before the Retirement Date, the departing employee will not be entitled to the Program Benefits provided under the VRIP.
- In the event the approved VRIP applicant dies after his/her application has been granted by the university but before the Program Benefits are in force, the Program benefits will be made to the VRIP applicant's heirs and/or beneficiaries consistent with applicable law.
- This Program is intended to qualify as a severance pay plan under Code Section 457(e)(11) and a "window Program" under Code Section 409A so as to not constitute deferred compensation under Code Sections 409A, 457(b), and 457(f). In no event may the university or a participating employee accelerate or delay payment or the Retirement Date in a manner inconsistent with

this intent. The Program will be interpreted and administered in a manner consistent with this intent. Amounts payable under this Program upon retirement, termination, or any similar term will be payable only when the Eligible Employee incurs a "separation from service" as defined under Code Section 409A.

### ELIGIBILITY CRITERIA

To be eligible to apply for participation in the program, a staff member must be:

- at least 55 years of age and have at least 15 years of service with the university on or before July 1, 2020; *and*
- employed with CWRU in a staff position within the university's salary grade structure.

The eligible employees may be working a full-time or a reduced schedule. However, the retirement incentive calculation shall be based upon the salary received by the employee at the time of application for the Program and commensurate with the employee's work schedule.

### INELIGIBILITY CRITERIA

The following employees are not eligible for participation in the VRIP:

- Executive staff in ungraded positions and vice presidents;
- Postdoctoral Scholars and Postdoctoral Fellows;
- Staff whose positions are funded externally by grants or other external sources;
- Employees who prior to July 1, 2020 provided notice to the university of their intention to resign or retire.

### PROGRAM BENEFITS

#### *Retirement Incentive Payment*

A lump-sum retirement incentive payment equal to six months' of the participant's salary, subject to deductions for taxes and other required withholdings.

#### *Retiree Status*

Participating employees will be provided "retiree" status with the university, as described in Human Resources policies, including the Tuition Waiver and Tuition Exchange Benefits Programs policy.

### APPLICATION AND APPROVAL PROCESS

- The dean or appropriate department head must ensure that the Program is announced to all eligible staff members promptly at the beginning of the application period, which commences June 24, 2020. Human Resources will provide a sample Announcement Letter to be used for this purpose.
- In addition, application information concerning the VRIP will be posted on the Human Resources website at <https://case.edu/hr/benefits/voluntary-retirement-incentive-program> no later than June 24, 2020.

- Eligible employees may participate in this Program by making an application to do so. The application to participate in the Program is subject to the following terms and conditions:
  - (a) The election is completely voluntary.
  - (b) The window period for application will be at least 30 calendar days and, unless determined otherwise by the university to provide for proper communication of the Program, will begin as of June 24, 2020 and close on July 24, 2020.
  - (c) Eligible employees who want to participate in the VRIP will be required to deliver an executed Application Form to Human Resources HR Service Center in person or via email to [AskHR@case.edu](mailto:AskHR@case.edu) or via fax to 216-368-4678 by 5:00 p.m. on or before July 24, 2020. The VRIP offering will automatically close at that date and time for any eligible employee who has not submitted a complete application. An application is deemed made upon receipt by the HR Service Center of a complete and signed copy of the Application Form, provided that such application is timely submitted.
  - (d) An application to the VRIP may be revoked by the employee prior to the end of the application window period. Requests to rescind an application must be made in writing and hand-delivered to the Office of Human Resources HR Service Center by 5:00 p.m. on July 24, 2020.
  - (e) Eligible employees who apply will be notified that their application is approved no later than July 29, 2020 by Human Resources/the employee's Dean/department head. The university reserves the right to determine whether to accept, modify, or terminate an employee's application under this Program, when, in the university's sole discretion, such actions are deemed appropriate to meet the university's academic, programmatic, or economic needs, or when the applying employee becomes incapable of carrying out his or her responsibilities and duties under the Application or Program.
  - (f) Eligible employees who wish to participate in the VRIP and whose application is accepted by the university, must sign and return to the Office of Human Resources a Voluntary Separation Agreement and General Release and Waiver of Claims no later than 45 days after their Retirement Date. To receive the Program benefits, participants must not exercise their right of revocation contained within that agreement. Failure to execute the Voluntary Separation Agreement and General Release and Waiver of Claim will result in benefits being withheld.
  - (g) Any modification to the agreement, whether verbal or written, must be reviewed by the Vice President for Human Resources and the Office of General Counsel before being incorporated into the agreement. The dean or appropriate department head and Office of General Counsel will make recommendations concerning modifications to an agreement (other than minor or typographical revisions) to the Vice President for Human Resources for final approval.

#### **RECOMMENDATION TO OBTAIN LEGAL ADVICE**

Eligible employees are advised to contact an attorney, at their own expense, to discuss the VRIP and to review the *Voluntary Separation Agreement and General Release of Claims* form before submitting an application and/or executing the agreement.

## REPRESENTATIONS CONTRARY TO THE VRIP

No officer, employee, representative, or agent of CWRU has the express or implied authority to alter, vary, or modify the terms of the VRIP. No verbal or written representations contrary to the terms of the VRIP and no written amendments shall be binding upon the university.

## END OF THE PROGRAM

This Program will terminate when all payments described herein have been provided.

## TIMELINE SUMMARY

- June 24, 2020: Program formally announced
- June 24, 2020 – July 24, 2020: Application period
- July 29, 2020: eligible staff members accepted in the Program will be notified no later than this date.
- July 31, 2020: Last work day.
- August 1, 2020: Last possible Retirement Date.

## CONTACT INFORMATION

This Program is administered by Human Resources. Employees who are uncertain whether they are eligible to participate in the Program may contact Amy Sheldon at [amy.sheldon@case.edu](mailto:amy.sheldon@case.edu); 216-368-6964. Questions about separating from the university, including benefits, should be also be directed to [AskHr@case.edu](mailto:AskHr@case.edu).