FAQ for Staff Voluntary Separation Incentive Program

Why is Carleton offering a voluntary separation incentive program?
As a result of the economic downturn, the College has felt a significant impact on our financial resources. As a result, we have reviewed all options to save costs across the College. One of those options is a reduction in the total number of staff the College employs. It is our hope that we can capture as many of those position reductions as possible through attrition and this voluntary program; hence, decreasing the need for involuntary lay-offs.

Do I have to take this program?
No, the program is voluntary. You need to evaluate your own situation and decide what is best for you.

What is the incentive to elect this type of program?
The program has been designed to provide a financial incentive for staff that elect to discontinue their employment with the College during the month of June, 2009. Employees who participate in the program will receive a lump-sum severance package equal to 8 weeks of pay, plus one week of pay for each year of service (with a maximum of 20 weeks).

Does everyone qualify?
Staff members who have worked a minimum of two years in a regular, continuing position are eligible to apply for this program.

Can you give an example of how the severance package might work?
To calculate the amount, an employee’s annual salary will be divided by 52 and then multiplied by the corresponding number of weeks.
For example, if an employee has worked for the College for 5 years and earns $52,000 per year, their incentive package would look like this:

8 weeks of pay: $8,000 ($52,000/52=$1000*8)
One week of severance for each year worked: $5,000 ($52,000/52=$1000*5)
Total severance paid out: $13,000 (less withholdings)

OR if an employee has worked for the college for 22 years and earns $52,000 per year, their incentive package would look like this:

8 weeks of pay: $8,000 ($52,000/52=$1000*8)
One week of severance for each year worked: $20,000 ($52,000/52=$1000*20) Max 20 weeks
Total severance paid out: $28,000 (less withholdings)

Do part-time employees qualify too?
Incentive packages for part-time employees will work in a similar manner. We will annualize an employee’s salary (determine the annual amount they would make if they worked full-time), use the above equation, and multiple the figure by the employee’s current FTE.
($13,000 for a .75 FTE would be $9750 and $28,000 for a .75 FTE would be $21,000)

Do I get to keep the severance package if I find a job with another employer?
Your right to participate in the program and the severance pay that you receive are not affected by acceptance of employment with another employer.

Will my position be terminated? Can I re-apply?
Employees who participate in this program will discontinue their employment with the College as of June 30, 2009 and will not be eligible for rehire for a one-year period after separation.
How do I elect this program?
Applications will be available on the HR website. Individuals interested are to complete and hand deliver the application (to ensure it has been received by HR) between May 18, 2009 and June 5, 2009 to the Office of Human Resources. Once approved, you will sign an agreement that this was voluntary, that you won’t assert any legal claims against Carleton, and that you understand the program’s terms.

When will I know if my application is approved?
Participation approval is at the discretion of the College; the decision will be based on the operational needs of the respective department. All applications will be reviewed between June 6th and 12th. Employees will be informed no later than June 15, 2009 if their application has been approved. If an application is approved, the employee will be notified in writing. The employee’s last day of employment will be June 30, 2009, unless another date is set and agreed upon by the employee, their supervisor, and Human Resources.

Will this be offered again at a later date?
We do not expect this program to be repeated. This should be considered your one and only opportunity to participate.

What happens to my benefits if I elect this program?
You will be eligible for medical, dental, and life insurance benefit continuation through COBRA. Because this is considered a lay-off, employees who carry medical or dental insurance will be eligible for the COBRA subsidy under the American Recovery and Reinvestment Act of 2009. This means that for most people their health insurance premiums through COBRA will stay relatively similar to their current premiums, and their dental premiums will be reduced by 65%. The COBRA benefit continuation is available for up to 18 months, and the subsidy is available for 9 months. There is no subsidy for life insurance, regular COBRA rates would apply for those electing the life insurance continuation.

Do I get my vacation, sick and floating holiday pay out with this program?
Benefit accruals will be paid out according to College policy. Please see the Staff Handbook or contact Human Resources with questions.

What happens with my Flexible Spending account if I terminate half-way through the year?
This account would end on your termination date. Any expenses incurred before that date could be submitted for reimbursement. All reimbursement requested would need to be turned in by March 15th of the following year.

Can I also apply for my TIAA-CREF retirement benefits?
If an employee meets Carleton’s retirement criteria, they may participate in both the retirement program and the Voluntary Staff Separation Incentive Program. Please contact Human Resources for more details.

What if I am approved for the program and then change my mind?
Applications are due by 4:30 on June 5, 2009 to Human Resources. Employees who enter into this program will have a 45-day time period to consider their decision. Details will be listed in individual release and agreement letters.

Will I be eligible for unemployment benefits?
Yes, you will be eligible to apply for unemployment benefits; terminations under this program will be considered constructive discharge. However, eligibility decisions regarding unemployment are made by the State on Minnesota.