

UNIVERSITY OF ILLINOIS CHICAGO

2021 VOLUNTARY RETIREMENT INCENTIVE PROGRAM - 1/26/2021

**FOR ELIGIBLE EMPLOYEES IN THE COLLEGE OF MEDICINE AT CHICAGO, ROCKFORD & PEORIA,
JANE ADDAMS COLLEGE OF SOCIAL WORK,
AND SCHOOL OF PUBLIC HEALTH**

I. Introduction

This document serves as the legal program document for the 2021 Voluntary Retirement Incentive Program (“VRIP”) offered to Eligible Employees (defined below) of the University of Illinois (“University”) who are employed at the University of Illinois Chicago (“UIC”).

This document is adopted effective January 26, 2021, (the “Program Effective Date”). This document will control in the event of any conflict with any other communications to Eligible Employees concerning the VRIP.

The University will offer a voluntary retirement incentive to Eligible Employees in the College of Medicine¹, Jane Addams College of Social Work and School of Public Health. The goal of the program is to achieve financial savings and/or operational efficiencies. (Eligibility is defined in Section II below).

- A. The VRIP is not an entitlement and any agreements must correspond with the needs of UIC. A fundamental requirement is that an Eligible Employee’s retirement must result in a benefit to UIC and the college or school of appointment by achieving, for example, financial savings and/or operational efficiencies. As a result, not every Eligible Employee who applies for the VRIP is expected to be accepted.
- B. Submitting an application to participate in the VRIP shall be on a strictly voluntary basis. The choice to apply is entirely up to the Eligible Employee. No one at UIC or the University may require an Eligible Employee to apply for participation in the VRIP.
- C. The VRIP is intended to provide the College of Medicine, Jane Addams College of Social Work, and School of Public Health opportunities to realize long-term financial savings and address budgetary deficits through participation in a voluntary reduction in force by incentivizing retirement of Eligible Employees.
- D. Eligible Employees who apply and are accepted for participation are referred to elsewhere in this document as “Participants”.

II. Employee Eligibility Criteria

To be eligible to participate in the VRIP, an employee must be employed within the College of Medicine at Chicago and its participating regional campuses in Rockford and Peoria; Jane Addams College of Social Work; or School of Public Health, and be either a member of the faculty; an Academic Professional (AP) or a Civil Service (CS) employee who is also:

- A. SURS Eligible² for retirement as of June 30, 2021.

¹ Excluding employees at the College of Medicine in Urbana. Employees of the College of Medicine at Chicago, Peoria and Rockford are included.

² Information regarding SURS eligibility is found here: <https://surs.org/retirement-fags>

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1. If participation first began prior to January 1, 2011:
 - Age 55 with 8 or more years of service
 - Age 62 with 5 or more years of service
 - Any age with 30 or more years of service

OR

2. If participation first began on or after January 1, 2011:
 - Age 62 with 10 or more years of service, with applicable age reduction
 - Age 67 with 10 or more years of service

AND

- B. Currently appointed to a benefits-eligible, permanent position at an appointment of at least 60% or greater FTE.

III. Employees Excluded

- A. Any employee who has already provided notification of resignation/retirement prior to the Program Effective Date.
- B. Any employee on a Notice of Non-Reappointment issued prior to the Program Effective Date.
- C. Any employee on a visiting appointment as of the Program Effective Date.

IV. Terms of Voluntary Retirement Incentive Program

A. Amount of Incentive:

Subject to the Participant's execution and non-revocation of all required Releases (discussed below in Section VI.D.), a Participant will receive an incentive equal to 30% of Base Salary exclusive of payout for accumulated but unused vacation and compensable sick leave. "Base Salary" is defined as excluding any administrative stipends, over-compensation payments, and fixed or variable incentive compensation payments for physician faculty in the College of Medicine. Base Salary includes compensation associated with both the faculty and physician/surgeon appointments for physician faculty in the College of Medicine.

B. Retirement Date:

1. AP and CS employees who are accepted into the VRIP as Participants must agree to retire no later than June 30, 2021. However, limited special exceptions may be made for employees who are determined critical in assisting with a transition of workload beyond the end of the fiscal year. This could also include the degree of workload impacted by fiscal year-end or

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- fiscal/academic year-start up activities. However, AP and CS employees who are accepted into the VRIP as Participants must retire in all events no later than December 31, 2021.
2. Faculty members who are accepted into the VRIP as Participants must also agree to retire no later than June 30, 2021. However, Faculty members may request an extension of their service to delay their retirement date – but not beyond the end of the Spring 2022 semester. UIC retains the discretion to accept or reject any such request for extension. The purpose of any extension granted would be to allow closure of activities that may require a longer time period. Examples include graduate student advisement, externally funded research projects, or other critical activities directly related to essential university operations. If a Faculty member wishes to request a delay in the retirement date beyond June 30, 2021, he or she must submit a work plan that details activities to be conducted during the extension period. As part of the work plan, faculty may also request a phased reduction in their FTE up to the date of retirement, which will result in a lower annual salary while still employed (pre-retirement), as long as the FTE is sufficient to continue the employee's eligibility for benefits as defined here: <https://hr.uic.edu/employees/benefits/>

The work plan must be approved by the faculty member's department head; if applicable, Regional Dean; and Dean.

C. Denial of Applications

The University reserves the right to deny the application of any Eligible Employee who seeks to participate in the VRIP based upon the operational needs of and budget impact on UIC. Any denial of any Eligible Employee's application to participate in the VRIP will be communicated to the Eligible Employee.

V. Important Program Dates and Timeline

- A. Eligible Employees will be provided notice of the VRIP and application instructions by **January 27, 2021.**
- B. Eligible Employees may apply to participate in the VRIP through **February 28, 2021.** As noted in the application packet, the completed forms must be sent to the attention of Janet Parker, Associate Chancellor, Budget, HR and Financial Administration. Any applications received after 5:00 p.m. Central Standard Time on February 28, 2021, will not be considered for participation in the VRIP.
- C. ***All timely submitted applications will be reviewed and approved or denied by UIC, and applicants will be formally notified of their acceptance or rejection by UIC Human Resources no later than 5:00 p.m. Central Standard Time on March 31, 2021.***

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- D. Applicants who have been accepted must return an executed Release to UIC Human Resources no later than **5:00 p.m. Central Standard Time on April 5, 2021.**
- E. Applicants whose applications are rejected will have three (3) business days to submit a written request for review by the Associate Chancellor for Budget, Human Resources & Financial Administration. All requests for review are due no later than **5:00 p.m. Central Standard Time, April 5, 2021.** Eligible Employees who submit requests for review will be notified of the outcome of the request for review by **5:00 p.m. Central Standard Time on April 9, 2021.**
- F. Applicants whose applications to participate in the VRIP have been accepted through the request for review process must return an executed Release to UIC Human Resources not later than **5:00 p.m. CT, April 14, 2021.**
- G. Each Participant who returns a Release will have seven (7) days to revoke the Release, and anyone choosing to exercise that right will be withdrawn from the VRIP. If the Participant does not exercise his or her right to revoke during this 7-day period, the Participant's participation in the VRIP will become effective and irrevocable.
- H. The Participant's last day of employment with the University will be **June 30, 2021**, unless a special exception has been documented as noted in Section IV B. and formally communicated to the Participant by UIC Human Resources.
- I. To obtain all VRIP benefits, Participants also must sign a Final Release upon termination of employment.

VI. Miscellaneous Provisions

A. Tax Withholding

All payments made under the VRIP will be subject to federal, state and other required tax withholding.

B. Retirement Plans

The incentive payment will not be treated as earnings for the purpose of making contributions to SURS or any other retirement savings plan. It will also not impact the SURS 6% Rule regarding pre-separation pay increases, which is described here:

https://www.hr.uillinois.edu/policy/compliance_toolkit/SURS_6_billing_procedures_and_information/SURS_6_frequently_asked_questions_the_6_rule#:~:text=Generally%2C%20the%206%25%20rule%20will%20apply%20to%20all,and%20who%20retire%20under%20the%20SURS%20general%20formula.

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C. Interaction with Other HR Policies

The VRIP is not intended to alter any University or UIC Human Resources policies, including rules related to dismissal for cause and payment of any accrued and unused vacation days upon resignation, except (1) as explicitly stated in this VRIP document, and (2) by being accepted as a Participant in the VRIP, the employee will not be entitled to receive notice of non-reappointment.

D. Release

Participation under the VRIP is expressly conditioned upon the Participant signing and not revoking a Separation Agreement and Release and Waiver of Claims ("Release"). As required by law, Participants will have a period of forty-five (45) calendar days to consider the Release. The 45-day period will begin on the date the Eligible Employee is notified of his or her eligibility to apply for the VRIP. Notification of eligibility will include a blank copy of the Release for the employee to review and complete.

Eligible Employees who apply and are accepted as Participants must return an executed Release to UIC within three (3) business days of being notified of their acceptance. As required by law, an Eligible Employee will have seven (7) calendar days following execution of his or her Release to revoke the Release and to withdraw from the VRIP. Once the 7-day period expires, the Eligible Employee's participation in the VRIP will become irrevocable.

The Employee will also be required to sign a Final Separation Agreement and Release and Waiver of Claims ("Final Release") after he or she terminates employment. The Final Release will be provided to Participants on or around their last day of employment.

E. Nondiscrimination Statement

Neither UIC nor the University will engage in discrimination or harassment against any person because of race, color, religion, sex, national origin, ancestry, age, marital status, order of protection status, genetic information, disability, pregnancy, sexual orientation including gender identity, unfavorable discharge from the military or status as a protected veteran, and will comply with federal and state nondiscrimination, equal opportunity and affirmative action laws, orders and regulations. This nondiscrimination policy applies to admissions, employment, access to and treatment in the programs and activities of UIC and the University.

F. Future Employment

Neither UIC nor other universities, colleges, departments, schools or other units within the University (which includes University of Illinois System offices) shall be under any obligation to consider future employment for any employee who separates employment under the VRIP. Participants must have a clear separation from the University and no agreement,

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written or oral, to return to work at the University at the time of retirement. For retirees, eligibility to return to employment with any unit of UIC or the University will be in accordance with SURS Return to Work Rules and the University's current policies and guidelines on employment of retirees, provided however, that an individual who retires and receives payment under the VRIP may not apply for re-employment with UIC or the University in any capacity for at least six (6) months after the Participant's last day of employment with the University. Non-retirees who separate from employment and receive payment under this VRIP may not apply for re-employment with UIC or the University in any capacity for at least twelve (12) months.

G. Information Regarding Other Benefits

Accrued and unused vacation and compensable sick leave payments due to an employee at the time of separation from the University shall be paid in accordance with those established policies, plans and procedures. Any other pay and benefits (e.g., health insurance, vision insurance, dental insurance, etc.) will terminate or cease upon separation in accordance with the terms of those established and applicable laws, policies, plans and procedures. For more information, please refer to: <https://www.hr.uillinois.edu/benefits>

H. Recovery of Payments Made By Mistake

An Eligible Employee must return to the University any payments or other consideration, or portion thereof, made by a mistake of fact or law or paid contrary to the terms of the VRIP.

I. Authority to Amend Program

The University reserves the right to amend or terminate the VRIP at any time. Notwithstanding the foregoing, no amendment to the VRIP may reduce any consideration once a Participant's Release is fully executed and becomes legally binding and non-revocable.

J. Recommendation of Attorney Review

Eligible Employees are advised to contact an attorney at their own expense to discuss the VRIP and to review the Release and Final Release if they so desire.

K. No Employment Rights or Contract

The VRIP shall not confer employment rights upon any person. Nothing contained in the VRIP will be construed as a contract of any kind between the University or any related entity and any person. No person shall be entitled by virtue of the VRIP to remain employed by the University and nothing in the VRIP shall restrict the right of the University to terminate the employment of any Eligible Employee or Participant.

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Eligible Employees or Participants who are subsequently terminated by reason of unacceptable performance or because of a violation University rules or policies or applicable law will not be entitled to any payment or other consideration under the VRIP.

L. No Assignment of VRIP Payments

Under no circumstances may a VRIP payment be subject to assignment, garnishment, lien or other encumbrances, and any attempt to cause any such payments to be so subjected shall not be recognized, except to such extent as may be required by law.

M. Applicable Law

The VRIP shall be governed and construed in accordance with the laws of the State of Illinois, without reference to its conflicts of law provisions.

N. Severability

If any provision of the VRIP is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or other controlling law, all of the provisions of the VRIP shall continue in full force and effect.

O. Representations Contrary to the VRIP

No employee, officer, director or agent of the University has the authority to alter, vary or modify the terms of the VRIP. No verbal or written representations contrary to the terms of the VRIP and its written amendments shall be binding upon the University.

P. Program Administrator

The University is the "program administrator" and retains the exclusive discretionary authority to interpret and construe the terms of the VRIP, including without limitation the discretionary authority to determine eligibility for the VRIP, the amounts payable hereunder and all other matters relating to the operation of the VRIP. The decisions of the University shall be final and conclusive for all purposes.

Q. End of the Program

The VRIP will terminate when all payments described herein have been provided.