

## **2017 VOLUNTARY EARLY SEPARATION INCENTIVE PROGRAM (VESIP)**

### **VESIP DESCRIPTION**

The University of Detroit Mercy hereby announces the 2017 Voluntary Early Separation Incentive Program (VESIP). This VESIP is open to all University employees who meet the eligibility standards detailed below, and who otherwise fulfill the terms required for receiving benefits under the VESIP. The VESIP will be administered in compliance with all legal requirements, including but not limited to the federal Age Discrimination in Employment Act, 29 USC Section 621 et seq. (as amended by the Older Workers' Benefit Protection Act), the Internal Revenue Code and Michigan's Elliott-Larsen Civil Rights Act. The key components of the VESIP are as follows:

1. To participate in the VESIP, an Eligible Employee (defined in section 2, below) must voluntarily resign under the terms of the VESIP and enter into a *Separation Agreement and Release* between the University and the Eligible Employee. Eligible Employees participating in the VESIP ("Participants") may receive the following:
  - a. **Severance Allowance.** Payments equal to the Eligible Employee's annual base salary as a full-time University employee as of the date of separation less applicable taxes and other required withholdings. These payments will constitute a Severance Allowance and shall be remitted to the Participant in installments over twelve (12) months. Severance Allowance installment payments will be provided on each regular University pay date commencing with the first regular University payday following the later of: i) the effective date of the *Separation Agreement and Release* between the University and the Eligible Employee (as required by the VESIP), and ii) the effective date of the Eligible Employee's voluntary resignation under the VESIP.
  - b. **Health and Dental Benefits.** For eligible Participants who elect the Retiree continuation of coverage for their group medical, prescription drug, and/or dental coverages pursuant to the terms of the University of Detroit Mercy Medical Plan (the "Plan"), the University will pay 100% of the applicable premium for coverage for up to eighteen (18) months) of the coverage period.
  - c. **Faculty Office Use.** For a Participant who is a member of the University's faculty as of the effective date of the *Separation Agreement and Release* between the University and the Eligible Employee, the Participant may elect to continue to use their existing office for their personal use for up to twelve (12) months from the effective date of their resignation. Use of office space also includes the ability to, on a restricted basis, continue to use any University-provided computer, telephone, and internet services, for the Participant's personal use. The Participant may not use University-provided computer equipment, telephones, or internet services to perform any activity or duty the Participant had during the course of employment with the University, and may not use them for any improper purpose.

2. An Employee is eligible to participate in the VESIP if the Employee an active employee of the University as of July 14, 2017 and, as of December 31, 2017 the Employee has been a full-time employee of the University for a minimum of 10 years (measured from anniversary date to anniversary date) and has reached age 55 or older.
3. The Eligible Employee's election to participate in the VESIP must be properly completed and submitted to the University before Friday, December 29, 2017. The Eligible Employee must elect to separate from employment with the University on a date that is no later than December 31, 2018. The election shall be in the form of the Eligible Employee submitting a signed copy of the attached *Separation Agreement and Release* (attached to this VESIP Description as Attachment A) to the University's Human Resources Department on or before 4:30 p.m. on December 29, 2017. No Employee may elect to participate in the VESIP after 4:30 p.m. on December 29, 2017.
4. Each Eligible Employee will receive a list indicating the number of Eligible Employees by age and job classification, as well as the number of employees by age and job classification who are ineligible for participation in the VESIP. (This list is attached to this VESIP Description as Attachment B).
5. The terms of this VESIP, and its administration, shall not be subject to any grievance procedure set forth in any collective bargaining agreement between any union representing University employees and the University.
6. In the event the Participant dies before the end of the term of the benefits to be paid pursuant to the VESIP, the Severance Allowance will continue to be paid to the Primary Beneficiary designated on the "Beneficiary Designation" form (Attachment C) properly completed and submitted to the University with the *Separation Agreement and Release*. In the event the Primary Beneficiary is not alive at the time of the Participant's death, payments will instead be made to the Contingent Beneficiary[ies] designated on the "Beneficiary Designation." Payment to the Primary Beneficiary or Contingent Beneficiary[ies] will cease at the end of the benefit term of the VESIP.
7. Once a final *Separation Agreement and Release* has been signed by both parties and the seven (7) day period for revocation has passed, the Participant cannot change his or her election to resign or the resignation date. A resignation by the Participant or the termination of the Participant for cause prior to the resignation date will render the individual in violation of the *Separation Agreement and Release*, and as a result, no Severance Allowance or other benefits described in section 1 above will be payable.

Effective: July 14, 2017