

Voluntary Separation Program Summary

The purpose of the voluntary separation program is to allow agencies to implement a program to realign resources and/or permanently downsize based on the ability to demonstrate recurring cost savings. Program approval will be based on the agency head's ability to demonstrate cost savings within a two fiscal year period.

Implementation

- An agency must develop its VSP based on the established guidelines. Except where designated as an "optional" feature, all components of the established guidelines serve as the minimum requirements for the agency's VSP. A sample program is available through the DSHR website to assist agencies in developing a VSP.
- When an agency is consulting with DSHR to implement the VSP, it should submit the following information to DSHR:
 - The VSP the agency intends to distribute to employees, and
 - A demonstration of recurring cost savings over two fiscal years. (The demonstration of cost savings can be an estimate based on total salaries and fringe benefits of the estimated number of participants, VSP costs, and other expenditures or savings related to the program.)
 - Optional documentation that DSHR strongly encourages agencies to include is: VSP Agreement and Release and Acknowledgement of Notice.

Participation Eligibility

- According to the established guidelines, employees in full-time equivalent (FTE) positions are eligible to participate in the VSP.
- The Agency Director and all employees who are exempt from the State Employee Grievance Procedure Act are not eligible to participate in the VSP.
- Employees who have submitted a notice of resignation, which has been accepted by the agency, prior to the effective date of the VSP, and employees who participate in the Retirement Incentive Plan are not eligible to participate in the VSP.
- Agency heads make the final decision concerning which employees are eligible to participate.
- The agency cannot require an employee to participate in the VSP. Participation in the VSP is voluntary.

Reemployment After VSP

- A participating employee in a VSP cannot return to an FTE position for two years from the date of separation unless the employee reimburses the agency from which the employee separated on a pro-rata basis for the benefits received.

- A participating employee can return to the former agency or another agency in State Government in a temporary, temporary grant, or time-limited project position.

Incentives

- The maximum incentive payment an employee can receive if participating in the VSP may not exceed one year of the employee's base salary.
- Upon separation, an employee participating in the VSP will receive payment for any unused annual leave balance as provided in the State Human Resources Regulations. Upon separation other than by retirement from State Government, an employee forfeits all unused sick leave.
- The agency is not required to include the Employer portion of health and dental benefits in the VSP. However, providing benefits such as the employer contribution of health and dental benefits for one year is an option, unless the employee otherwise becomes ineligible for such benefits.

Consideration to Participate

- In accordance with the Age Discrimination in Employment Act and the Older Workers' Benefit Protection Act, an employee must be offered 45 calendar days from the date the employee receives notification of the VSP to consider participation. An individual employee may waive the 45-day period.
- In accordance with the Age Discrimination in Employment Act and the Older Workers' Benefit Protection Act, an employee has seven calendar days from the date of executing the agreement and release to rescind the decision to participate. An individual employee may not waive the seven-day period.

FTE Deletion

- The agency is not required to delete an FTE position after it has been vacated by an employee participating in the VSP.

Savings Demonstration and Reporting Requirement

- The agency must be able to demonstrate an overall cost savings within two fiscal years.
- Voluntary Separation Program Reporting Forms to assist an agency in providing the necessary information to demonstrate cost savings are available on the DSHR website.
- After an agency implements the VSP it is required to report the results to the DSHR following the effective date of implementation. DSHR has provided two forms to assist an agency in reporting the required information.

Grievance Rights

- Exclusion of an employee or employees in categories of a job classification from participation in the agency's VSP is not a grievable or appealable action. The agency head makes the final decision based on fair and objective criteria concerning which employees are eligible to participate in the VSP.