University of Montana-Missoula Voluntary Employee Retirement Incentive Plan (VERIP) for full-time tenured faculty who are 60-64 years of age and eligible to retire.

This limited-time plan is being offered to all University of Montana-Missoula, (including Missoula College), full-time tenured faculty who are 60-64 years of age and eligible to retire. The purpose of offering this voluntary employee retirement incentive plan (VERIP) is to maximize personnel savings by offering an incentive for eligible employees to voluntarily retire and/or end their employment relationship.

University of Montana-Missoula VERIP for full-time tenured faculty who are 60-64 years of age and eligible to retire.

The University of Montana-Missoula VERIP is entirely voluntary. You will not be required to participate in the Plan simply because, as an employee, you receive a notice offering the plan. THIS NOTICE EXPLAINS THE PROVISIONS THAT GOVERN THE PLAN.

Two required procedural steps if you are considering this offer:

(1) IF YOU ARE INTERESTED IN ACCEPTING THE PLAN OFFER YOU MUST PRINT AND SIGN THE ATTACHED NON-BINDING ACKNOWLEDGMENT OF NOTICE OF INTEREST FORM AND RETURN IT TO HUMAN RESOURCE SERVICES, AT LOMMASSON 252 BY 5:00 P.M., MDT, June 30, 2017. [Acknowledgment Form, EXHIBIT “A”- attached.]

(2) ONCE YOU HAVE RETURNED THE ACKNOWLEDGMENT OF NOTICE OF INTEREST FORM BY June 30, 2017, YOU WILL HAVE UP UNTIL FRIDAY, JULY 28, 2017 TO REVIEW, SIGN AND RETURN THE ATTACHED AGREEMENT IF YOU CHOOSE TO PARTICIPATE, BUT KNOW THAT ONCE YOU SIGN AND RETURN THE AGREEMENT YOU ONLY HAVE 7 DAYS TO REVOKE THE AGREEMENT FROM THE DATE YOU SIGN IT. RETURN THE AGREEMENT TO HUMAN RESOURCE SERVICES, AT LOMMASSON 252, by 5:00 P.M., MDT. [Agreement, EXHIBIT “B”- attached.]

All decisions made under this incentive plan by employees to separate from employment are voluntary and are not considered grievable or appealable.

The VERIP being offered works as follows:

Normal incentives:
Employee will have a July 28, 2017 termination date. Employees participating in the offered VERIP will receive, upon termination, (to be paid August 15, 2017 using Fiscal Year (FY) 2018 dollars), payment for one-quarter of unused sick leave balance as required by law and any annual leave required by policy, along with any final paycheck due and owing based on their FY 2016-17 contract less any mandatory withholdings. Retirees will receive the customary and normal post-retirement privileges on the campus that employees are normally entitled to by any policies that are in place at the time.¹

¹ Currently those are: For retirees who have been employed with UM for 15 years or less, you also receive the following benefits: Campus Recreation and Grizzly Pool Access for $15/month; UM e-mail account; Montana Borrower privileges at the Mansfield Library; Access to UM Computer Labs; Wireless service on campus for personal laptops. Employees who have been employed for over 15 years receive the following “Lifetime” benefits in addition to those listed above: Two complimentary athletic tickets to UM sponsored athletic events, including football, basketball, volleyball and soccer games (excludes certain events); 10% discounts on most items at the University Bookstore-Textbooks, computer hardware and software are not included; Full borrowing privileges as current faculty and staff at the Mansfield Library; One free parking permit; Two complimentary tickets to productions by the School of Theater & Dance.
Added incentive that is the key consideration in the VERIP:

The employee can choose ONE of the added incentives below:

Either the following lump sum payment:

UM will pay the employee a deferred payment that is equal to 50% of that individual’s FY16-17 general fund base salary as listed on the employee’s contract, including any mid-year base salary increases, (research base and stipends are not included). This amount will be paid in a lump sum, less any legally required state or federal deductions, 90 days after termination of employment at UM (between October 31, 2017 and November 17, 2017). An appropriate IRS reporting form will be issued to the employee, at calendar year end, who shall be responsible for payment of any state and federal taxes. THIS DEFERRED LUMP SUM PAYMENT IS NOT TERMINATION PAY. IT CANNOT BE USED TO ENHANCE ANY RETIREMENT OPTION.

OR

The lump sum payment outlined above, less any elected deductions for University retiree health insurance plan coverage premiums to a maximum of your 65th birthday. An employee must be eligible for the retiree health insurance plan in order to take this option. NOTE: At the time of signing the final agreement, Exhibit “B,” the employee must designate the amount of premiums/or number of months to be deducted from the lump sum payment for full retiree coverage until their 65th birthday. (Any increase to future monthly premiums for all plan members will be billed to the employee and must be paid in order to remain on the plan.) The University will only pay premium amounts up to the equivalent of 50% of the individual retiree’s FY 16-17 general fund base salary as outlined above. If the employee is no longer a plan member during the elected coverage period, any full monthly premiums, less any legally required state or federal deductions will be reimbursed.

Questions regarding the above can be directed to the Human Resource employees at 252 Lommasson Center.

PLEASE BE SURE TO CONTACT THE RETIREMENT SYSTEM THAT YOU ARE A MEMBER OF ABOUT THIS VERIP BEFORE SIGNING IT!! EMPLOYEES HAVE DIFFERENT RETIREMENT OPTIONS AND DIFFERENT TAX CONSEQUENCES THAT ARE SPECIFIC ONLY TO THEM. UM STAFF CANNOT GIVE LEGAL ADVICE OR TAX ADVICE.

IT IS ADVISED THAT YOU SHOULD CONTACT AN INDEPENDENT ATTORNEY OF YOUR CHOICE FOR ANY INDIVIDUAL COUNSELING IN MAKING A DECISION BEFORE SIGNING THE VERIP AGREEMENT. IT IS ALSO RECOMMENDED THAT YOU SEEK ADVICE FROM AN INDEPENDENT FINANCIAL PLANNER OR ACCOUNTANT BEFORE SIGNING THIS AGREEMENT.

Two Eligibility Requirements (both requirements must be met):

A. Employees at UM-Missoula, (including Missoula College), who are full-time tenured faculty and are age 60-64 years of age as of May 12, 2017, are eligible to participate in the VERIP; and,

B. Employees who are eligible to retire under Montana Teacher’s Retirement System or the MUS-RP as of May 12, 2017 are eligible to participate in the VERIP.
EXHIBIT “A”

Acknowledgment of Notice of Interest In the
University of Montana-Missoula
Voluntary Employee Retirement Incentive Plan

I, the undersigned, have received a copy of the University of Montana–Missoula Voluntary Employee Retirement Incentive Plan (VERIP) document explaining the provisions of the VERIP and I understand its contents. I understand that my participation in the Plan is voluntary and that I must be 60-64 years of age, eligible to retire and a full-time tenured faculty member at the time of signing this form.

To participate in the VERIP, I understand that I must date, sign and return this non-binding Acknowledgment of Notice of Interest by 5 p.m., MDT, JUNE 30, 2017.

I will have up until July 28, 2017 to review and return the agreement attached below as Exhibit “B”, but that once I sign and return the agreement I only have 7 days to revoke the agreement from the date I sign it.

Name (please print): ________________________________________________

Signature: _______________________________________________________

Date: ___________________________________________________________

This acknowledgment of notice of interest must be returned and received by June 30, 2017 by 5:00 p.m., MDT, to

Human Resource Services at 252 Lommasson Center, Missoula MT 59812.

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INTEREST STATEMENT:

I am interested in the offered plan and would like to possibly retire or separate as of the end of my 2016-17 contract and not enter into a new contract for the next fiscal year.

Signature: ____________________________  DATED: ________________

Print Name: ___________________________

Received by UM: ________________________________________________

_________________________________________  Date Received
UNIVERSITY OF MONTANA-MISSOULA
SEPARATION AGREEMENT CONCERNING RESIGNATION AND RELEASE OF EMPLOYMENT
AND OTHER RIGHTS

I,______________________, (Employee), am a full-time, tenured faculty member at the University of Montana-Missoula, and as of May 12, 2017 I was age _____ years old and eligible to retire, and I agree to the following terms in this two page agreement:

(1) I will freely and voluntarily retire or separate from my employment with an agreed upon termination date of July 28, 2017.
(2) I fully understand that my last signed contract of employment with the University of Montana is the 2016-17 contract.

In exchange for the above, the University of Montana will:

(1) Upon termination on July 28, 2017, pay employee one-quarter of unused sick leave balances as required by law and any annual leave as required by policy. Retirees will be provided with any customary and normal post-retirement privileges outlined in the VERIP offer. The unused leave payout(s) and final paycheck for any amount owed on the FY 2016-17 contract will be paid August 15, 2017, using Fiscal Year (FY) 2018 dollars.

(2) I, ____________________, choose additional incentive No. ____ below, the ________________________________option.  If you are selecting No. 2, then designate the lump sum amount or number of months after July 28, 2017 that you want health insurance coverage for here:  Lump sum amount $__________  or  number of months ________.

Additional Incentive No. 1, Lump Sum Only Option.

UM will pay the employee a deferred payment that is equal to 50% of that individual’s FY16-17 general fund base salary as listed on the employee’s contract, including any mid-year base salary increases, (research base and stipends are not included). This amount will be paid in a lump sum, less any legally required state or federal deductions, 90 days after termination of employment at UM (between October 31, 2017 and November 17, 2017). An appropriate IRS reporting form will be issued to the employee, at calendar year end, who shall be responsible for payment of any state and federal taxes. THIS DEFERRED LUMP SUM PAYMENT IS NOT TERMINATION PAY. IT CANNOT BE USED TO ENHANCE ANY RETIREMENT OPTION.

Additional Incentive No. 2, Lump Sum, Less Health Insurance Premium Deductions

The lump sum payment outlined above, less any elected deductions for the University retiree health insurance plan coverage premiums to a maximum of your 65th birthday. An employee must be eligible for the retiree health insurance plan in order to take this option. NOTE: At the time of signing the final agreement, Exhibit “B,” the employee must designate the amount of premiums/or number of months to be deducted from their lump sum payment for full retiree coverage until their 65th birthday. (Any increase to future monthly premiums for all plan members will be billed to the employee and must be paid in order to remain on the plan.) The University will only pay premium amounts up to the equivalent of 50% of the individual retiree’s FY 16-17 general fund base salary as
If the employee is no longer a plan member during the elected coverage period, any full monthly premiums, less any legally required state or federal deductions will be reimbursed.

IMPORTANT!!! READ CAREFULLY BEFORE SIGNING:

I acknowledge that I have had sufficient time to contact my retirement system about this agreement and the incentive. I have also been warned that it is advisable to, and I have had sufficient time to, exercise my right to contact an independent attorney for any individual counseling in making a decision before signing this agreement. I agree that this agreement is written in a manner that enables me to fully understand its content and meaning.

Exclusively as this agreement pertains to Employee’s release of claims under the Age Discrimination in Employment Act (“ADEA”), Employee pursuant to and in compliance with rights afforded Employee under the Older Workers Benefit Protection Act (OWBPA): (i) is advised to consult with Employee’s attorney prior to executing this Agreement; (ii) is afforded a period of at least forty five (45) days within which to consider this agreement; and (iii) is afforded, for a period of seven (7) days following execution of the agreement, the right to revoke the waiver of claims under the ADEA, provided that if employee exercises that right, the University shall have seven (7) days to revoke the remainder of this Agreement. To the extent employee executes this agreement prior to the expiration of the forty five (45) calendar day period noted above, employee acknowledges and agrees that employee was afforded the opportunity to have a period of at least forty five (45) calendar days to consider it before executing it and that employee’s execution of this agreement prior to the expiration date is a free and voluntary act. This waiver does not apply to any unknown future claims that arise after signing this waiver.

This agreement, as it pertains to a release of claims under the ADEA, shall become effective and enforceable seven (7) days after its execution (signing). All other provisions of this agreement or parts thereof shall become effective and enforceable upon execution. If you decide to REVOKE this Agreement after signing and returning it, you must provide a written statement of revocation by certified mail.

ANY REVOCATION MUST BE SENT VIA CERTIFIED U.S. MAIL, ADDRESSED TO:
Terri Phillips, Associate Vice President
University of Montana, Human Resource Services
Emma B. Lomnasson Center Room 252
Missoula, MT 59812
AND POST-MARKED NO LATER THAN ON THE 8TH DAY FOLLOWING THE DATE OF EMPLOYEE’S EXECUTION OF THIS AGREEMENT.

IF YOU DO NOT REVOKE DURING THE SEVEN-DAY REVOCATION PERIOD, THIS AGREEMENT WILL TAKE EFFECT ON THE EIGHTH (8TH) DAY AFTER THE DATE YOU SIGN THE AGREEMENT.

Employee agrees that the University may deduct and withhold from the termination payment(s), (last paycheck and any leave balance cash outs), made to employee after July 28, 2017 amounts required to be withheld by state and federal law for income taxes, social security, and other payroll taxes, as determined in good faith by the University. This includes the employee’s final paycheck and if applicable, any leave payouts at termination. The University will use the current W-4 on file unless the Employee files a new one in a timely manner before the final paycheck processing begins.

This Agreement shall be binding upon Employee’s heirs, successors, personal representatives and assigns.

If any part of this Agreement is construed to be in violation of a federal, State or local law, rule or
regulation by the highest court to which the matter is appealed by any of the parties, then that part shall be null and void, but the balance of the provisions of this Agreement shall remain in full force and effect.

This Agreement constitutes the entire agreement between Employee and the University of Montana and there are no other written or oral agreements, understandings or arrangements between the parties regarding the subject matter in this document.

Employee agrees that he or she has completely read this agreement, fully understands the terms and contents and freely, voluntarily and without coercion enters into this agreement.

Signature: ___________________________     DATED: ________________

Print Name: ___________________________

Accepted by: Dated: __________     Authorized Official, University of Montana

RETURN THE SIGNED AGREEMENT TO HUMAN RESOURCE SERVICES, AT LOMMASSON 252, by 5:00 P.M., MDT ON OR BEFORE JULY 28, 2017.