

ADMINISTRATIVE DIVISION HR Division of Human Resources		POLICY NUMBER HR 1.89	
POLICY TITLE Separation Incentives			
SCOPE OF POLICY USC System		DATE OF REVISION January 15, 2021	
RESPONSIBLE OFFICER Vice President for Human Resources		ADMINISTRATIVE OFFICE Division of Human Resources	

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PURPOSE

The state of South Carolina allows state agencies to implement separation incentive programs to realign resources and/or permanently downsize based on the ability to demonstrate recurring cost savings. This policy describes the way the University of South Carolina will implement and utilize two voluntary separation incentive programs: the Retirement Incentive Program and the Voluntary Separation Program.

DEFINITIONS

Full-Time Equivalent (FTE) is a position authorized by the General Assembly which is expressed as a numerical value as a percentage of time in hours and of funds.

State Optional Retirement Program (State ORP) is a defined contribution retirement plan administered by the Public Employee Benefit Authority for eligible public employees of state agencies, public and charter school districts and public higher education institutions.

South Carolina Retirement System (SCRS) is a defined benefit pension plan administered by the Public Employee Benefit Authority for eligible public employees of the state, higher education, and public school districts, as well as, counties, cities and municipalities and other local political subdivision and governmental entities.

South Carolina Police Officers' Retirement System (PORS) is a defined benefit pension plan administered by the Public Employee Benefit Authority for eligible police officers and fire fighters who are employed by counties, municipalities, and other local subdivisions in South Carolina and who participate in the plan.

POLICY STATEMENT

The Retirement Incentive Program (RIP) and the Voluntary Separation Program (VSP) are management tools which allow units to maximize savings by offering options for employees to voluntarily retire or separate. These programs are not designed as a universal employee benefit. The scope and terms of each RIP or VSP plan must be developed by the unit in consultation with the Division of Human Resources. All plans must be approved by the State Division of Human Resources.

The decision to participate in a program is voluntary by each eligible employee. Employees choosing to participate in the RIP program must retire and separate from service no later than the effective separation date as specified in the approved plan. Employees choosing to participate in the VSP program must separate from service no later than the effective separation date as specified in the approved plan. All decisions concerning approval of participants are within the discretion of the university and are final. Participation in either program is not a grievable or appealable action.

Program Benefits:

The RIP allows units to purchase either “qualified” or “non-qualified” service credit on behalf of employees who are currently eligible to retire or purchase the amount of time necessary to make employees eligible to retire. Additionally, a participating eligible employee will receive payment for any unused annual leave balance as provided for in HR 1.03 Annual Leave.

The VSP allow units to provide employees with a separation payment not to exceed one year’s salary. At the discretion of the unit a VSP plan may also provide coverage for the employer portion of health and dental benefits for up to one year, unless the employee becomes otherwise eligible for such benefits. Employees who are not eligible for health and dental coverage at the time of acceptance are not eligible for these benefits. Specific VSP plans may establish lower thresholds for separation payments or set tiered amounts based upon approved criteria. Additionally, a participating eligible employee will receive payment for unused annual leave balances as provided for in HR 1.03 Annual Leave.

Eligibility Requirements:

Eligibility in either program is limited to FTE employees who are within the defined scope of the approved program. Employees who are exempt from the State Employee Grievance Procedure Act are not eligible to participate.

Participation in the RIP is limited to employees who are currently eligible to retire under the SC Retirement System (SCRS) or the Police Officers Retirement System (PORS), or who purchase enough service credit to become eligible to retire.

Eligibility for the VSP is not limited based on participation in a state retirement program. Employees who participate in the State Optional Retirement Program (ORP), the SCRS or the PORS who are otherwise eligible for a specific VSP plan may participate in the VSP.

Employees may not participate in more than one separation incentive program.

Employees who have submitted a notice of resignation, which has been accepted by the university, prior to the effective date of the VSP, are not eligible to participate in the VSP.

The university can exclude certain categories of employees from either plan based on objective criteria.

Re-employment restrictions:

RIP participants are not eligible for FTE positions with the University of South Carolina for two calendar years following their retirement date.

VSP participants who are hired into FTE positions with the State of South Carolina within two calendar years following their separation date are required to pay back their VSP award on a pro-rated basis.

Participants in either program may be reemployed by the university in a temporary, temporary grant, or time-limited position after a period of no less than 15 calendar days from their date of separation.

Plan Requirements:

All RIP and VSP plans must demonstrate recurring savings to the unit. Cost savings must be demonstrated within two fiscal years, beginning in the fiscal year in which the separation occurs. All expenses related to RIP and VSP plans must be covered from the unit's existing funds.

The maximum incentive payment an employee can receive if participating in the RIP or VSP may not exceed one year of the employee's base salary.

A written agreement is required for all employees who elect to participate in these programs.

Under the authority of the Division of State Human Resources, the Division of Human Resources can designate temporary waivers of policy guidelines and procedures. Any such temporary waiver will be included as an appendix to this policy when in effect.

PROCEDURES

Procedures, forms and general guidance related to this policy can be found on the Division of Human Resources website at <http://hr.sc.edu/>.

RELATED UNIVERSITY, STATE AND FEDERAL POLICIES

[South Carolina Code of Laws Sections 9-1-1140 \(I\)](#) and [9-11-50 \(I\)](#)

[South Carolina Annual Appropriations Act Section 117.32](#)
[HR 1.03 Annual Leave](#)
[HR 1.57 Separation from Employment and Break in Service](#)

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
January 15, 2021	New Policy

APPENDIX

Under normal circumstances employees who are exempt from the State Employee Grievance Procedure Act are not eligible to participate in a RIP or a VSP. The policy guideline which denies eligibility to employees who are exempt from the State Employee Grievance Procedure Act may be waived if the incentive program is initiated due, in whole or in part, to the impact of COVID-19.