

MINNESOTA STATE UNIVERSITY, MANKATO

BOARD EARLY SEPARATION INCENTIVE (BESI) CRITERIA

September 8, 2020

DRAFT

In anticipation of continuing budget challenges at Minnesota State University, Mankato, the University (MSUM) is making available a Board Early Separation Incentive (BESI) to a limited number of employees, per MinnState Board Policy 4.11. Because of funding limitations, this incentive cannot be made available to all eligible employees. Decisions regarding the granting of BESIs will be based on the future staffing needs in a program, department, division, or area.

Replacement of faculty, service faculty and/or staff will be dependent on positions, number of retirements, and funding availability. The President has sole discretion in this matter.

If the number of applicants is less than anticipated, the President reserves the right to review alternative options.

All BESI requests will remain confidential, and only the parties identified in the proposed timeline will have access to the information until such data becomes public under the Minnesota Government Data Practices Act.

The BESI policy and FAQ document may be located on the Human Resources website under the "Policies" tab or by clicking this [link](#). If you have further questions, please contact Steve Barrett in Human Resources.

GOAL:

Cost of BESI would be recouped within one (1) year, and have a proven long-term salary savings beyond that first year.

ELIGIBILITY CRITERIA:

- Minimum eligibility: Age 55 and five years of continuous MinnState service as of effective separation date. (MinnState Board Policy 4.11)
- Not eligible:
 - Employees who have given or received written notice of employment separation
 - Employees in a temporary employment status
 - Employees who have not fulfilled service obligations following sabbatical (per applicable collective bargaining agreement)

BESI CRITERIA:

- I. **Position(s) That Will Not Be Replaced = 5% per year of Service up to 50% of Salary (Maximum of \$50,000)**

The BESI is in addition to other early separation incentives or severance pay for which an employee may be eligible. The BESI is calculated on the employee's base salary. Retirement dates must be communicated no later than Thursday, October 15, 2020, with a retirement date no later than May 31, 2021.

Positions in this category will not be replaced; they will be seen as a base budget cut within the respective department/program and division. Savings will be used to meet FY22 deficit and beyond.

- II. **Position(s) Replacement at Lower Cost = 50% of Differential Salary**

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Where a differential exists between the current salary of the retiree and the probable salary of his or her replacement, based on a 3-year-average of prior salaries in that department, or on relevant salary calculator data, CUPA data, or some other objective basis.

Exceptions include departments where a replacement hire costs the same or more than the retiree's salary (for example, replacement faculty salaries in some academic departments, as well as MSUAASF and classified positions can sometimes cost more than the salary being replaced.)

III. Other Proposals.

The models listed below are just possibilities that require discussion with the Vice President for Finance & Administration, Director of Human Resources, and respective Provost/Vice President before being made available to departments - none of these approaches are assured, but are open for conversation:

1. Reorganization. Internal reorganization of a track or program, internal to department or college.
2. Other proposals showing a documented salary savings and an effective separation date no later than May 31, 2021. Such proposals must be received no later than October 15, 2020.

TIMELINE:

Faculty and staff who meet the above noted eligibility requirements may submit a letter of interest in being considered for a Board Early Separation Incentive (BESI). Letters of interest must be received by the Minnesota State Mankato Human Resources office no later than 4:30 p.m. on Thursday, October 15, 2020. Upon receipt, the following timeframe has been set up.

- September 10, 2020 BESI announcement sent to all employees
- September 24, 2020 Deadline for eligible employees to submit a letter of interest to H.R.
- September 25-30, 2020 Review of eligibility conducted by H.R. and the respective supervisor/Dean and Vice President
- October 5, 2020 Employees notified of whether a BESI is awarded
- October 26, 2020 Awarded recipients must respond to H.R. with written acceptance/decline

Note: Collective bargaining agreements may have additional incentives for earlier notification. Consult your respective agreement or a bargaining unit leader for details.