



WALTERS STATE
COMMUNITY COLLEGE

VOLUNTARY BUYOUT PROGRAM

FREQUENTLY ASKED QUESTIONS

A. Eligibility

Who is eligible for the Voluntary Buyout Program?

Employees who are actively employed by the College before January 1, 2021 with at least five years of State of Tennessee service as of January 1, 2021, in a regular full-time position or the equivalent of five full-time years of service in a regular part-time position that is associated with the expectation of continuous employment at the institution, and **not** in a grant-funded position that prohibits participation.

B. Severance Package and Payment

Can I defer the severance payment to my 401(k), 457, and/or 403(b)?

No. IRS regulations do not allow the severance payment to be deferred into these programs.

When will I receive payment for my accrued annual leave?

Payment for accrued annual leave will be made on the last payroll check on May 31, 2021.

When will I receive my severance payment?

Severance payments will be paid in a lump sum by June 30, 2021.

Will the severance payment be taxed?

Yes, as required by federal law, the severance payment is subject to federal taxes, as well as Social Security of 7.65%.

Is the \$500 service credit payment based on years of Walters State service or State service?

The service credit payment will be based on years of regular full-time State of Tennessee service. Partial years of service in a regular full-time or regular part-time position in excess of one year will be calculated using fractions of a year as illustrated in Attachment 3 of the Voluntary Buyout Program Document.

If I received my regular longevity payment in May 2021, will I receive another amount equal to the amount I would have received for longevity in May 2022?

Yes, participants will receive an amount equivalent to their next longevity payment based on their years of creditable State service. This amount will be included as part of the severance payment.

Will the college pay their 80% of my health insurance payment for me? The College will include an amount equal to 80% of the premium for twelve months of

health insurance in the severance payment. This benefit does not apply if the terminating employee has, as of his/her voluntary separation date, at least thirty (30) years of state service, due to the fact that the state already continues to pay 80% of the insurance premiums for such individuals, until they reach the Medicare-eligible age of 65. The payment also does not apply if the employee does not currently carry health insurance through the institution.

Will the monthly salary amount used for the times 4 payment include the extra compensation I receive for serving as Coordinator of a program? No, the monthly salary amount used will be the gross monthly base salary. It will not include supplements or extra compensation.

C. Re-Employment

If I accept the buyout, can I be rehired by the State?

You may not be rehired in a benefits-eligible position at any State of Tennessee-funded postsecondary institution for a period of five years from your Voluntary Separation Date. Any Participant who accepts employment within five years from his/her voluntary separation date with any State of Tennessee-funded postsecondary institution shall immediately refund to the College all compensation received as a part of the Voluntary Buyout Plan.

If I am accepted in the Voluntary Buyout Program, terminate my employment, and then return after five years to the College, will I lose my TCRS service and salary credit, sick leave, and longevity credit?

No. If you return to regular employment at the College, your retirement credit, sick leave, and longevity credit will be reinstated.

If I take the buyout, may I return as a temporary part-time employee of the College (after being off the payroll for 60 days, as required by TCRS)?

No, unless you are a faculty member who returns as an adjunct faculty member, you may not return for a period of six months from your Voluntary Separation Date.

D. Application Submission and Revocation

When are applications due, and how do I submit?

Applications may be submitted beginning Wednesday, February 3, 2021. Applications must be submitted to the VBP Administrator, Office of Human Resources, Walters State Community College, 500 South Davy Crockett Pkwy, Morristown, TN 37813-6899, no later than 4:30 PM on March 22, 2021. You may email from your Walters State email account with verified return receipt, hand deliver or mail via regular or express mail or private courier. **Applications sent by fax or campus mail will not be accepted.** The College is not responsible for lost mail. **Any application received after 4:30 p.m. on March 22, 2021, will not be considered.**

How can I confirm that my application was received?

If you hand deliver your application, you will receive a date-stamped copy. If you mail your application, you may confirm receipt by calling 585-6845, 585-6846, or 585-6847. If you emailed your application from your Walters State email account with a return receipt, you will have proof that the application was delivered.

If there are a larger number of applicants than estimated, how will participants be selected?

Applications for eligible employees in a particular classification (employee group) will be considered and approved first on the basis of highest number of years of Walters State Community College full-time service or the full-time equivalent of regular part-time service as of January 1, 2021, and secondly, on the basis of the order in which the employee applied.

When will applicants be notified of acceptance for the VBP?

Applicants approved for participation in the program will be notified on or before April 14, 2021.

What is the process for revoking my VBP application?

You may revoke your application on or before March 30, 2021. The revocation letter must be in writing to the VBP Administrator and must be either hand delivered or mailed via regular or express mail or private courier to the VBP Administrator, Office of Human Resources, Walters State Community College, 500 South Davy Crockett Pkwy, Morristown, TN 37813-6899. **Revocations sent by fax, email, or campus mail will not be accepted.** The College is not responsible for lost mail. **Revocation letters must be received by the VBP Administrator no later than 4:30 p.m. Eastern time on March 30, 2021.**

E. Clearance Process**When will employees who are accepted for the VBP leave employment?**

Most employees approved for this program will have a voluntary separation date of May 31, 2021. A Participant who is also eligible for retirement benefits under the College's retirement plan may voluntarily elect to terminate employment with the College before May 31, 2021, and before his or her VBP application is approved; provided that in the event that the application is not approved, he or she will not be entitled to severance pay.

F. Waiver and Release Agreement**What is a Waiver and Release Agreement?**

By signing the Waiver and Release Agreement, the participant agrees that this separation is voluntary, and he/she will not make any claims against the College for unemployment.

Can I sign and send in my Waiver and Release Agreement early?

No. The Waiver and Release Agreement must be signed and turned in to the VBP Administrator by 4:30 p.m. on your Voluntary Separation Date. For retirement eligible Participants who opt for a Voluntary Separation Date (retirement) prior to May 31, 2021, the signed Waiver and Release Agreement forms will be accepted through the earlier of their Voluntary Separation Date or May 31, 2021.

What is the process for revoking a signed Waiver and Release Agreement?

You may revoke the Waiver and Release Agreement within seven calendar days of the date the signed agreement was submitted to the VBP Administrator. Any such revocation must be in writing and hand-delivered or via regular or express mail or private courier addressed to VBP Administrator, Office of Human Resources, Walters State Community College, 500 South Davy Crockett Pkwy, Morristown, TN 37813-6899. Any revocation received after the seven (7) calendar day period will not be effective. **Revocations sent by fax, email, or campus mail will not be accepted.** The College is not responsible for lost mail. A participant who timely revokes his or her Waiver and Release Agreement shall be deemed to have voluntarily resigned from employment as of the Voluntary Separation Date and will not be eligible to receive any severance pay or benefits under the VBP.

G. Retirement**Can I be accepted into the VBP and also retire?**

Yes. If you are eligible for retirement, you may also file for retirement. Please see the Human Resources Office and your retirement provider for details regarding retirement eligibility and paperwork.

If I am accepted for the VBP and retire on May 31, 2021, may I remain on the payroll to exhaust my annual leave?

No. If you are accepted for the VBP, you must be off the payroll as of May 31, 2021. Your accrued annual leave will be paid in a lump sum on that date.

I am eligible for retirement, but I don't want to retire unless I am accepted into the VBP. Can I wait to file retirement papers until I know for sure if I am accepted into the VBP?

Yes. You can wait to file for retirement after acceptance into the VBP. Please check with the HR Office and your retirement provider for details on retirement.

Will my sick leave count toward retirement if I participate in the VBP?

Yes. If you are a TCRS retiree, you will receive service credit for your sick leave. If you are an ORP retiree, you do not receive service credit for sick leave; however, your sick leave will count toward your service for the purposes of calculating your insurance continuation premiums.

What if I am eligible for retirement after May 31, 2021?

You may file for retirement at the time you reach eligibility.

Will the severance payment count toward my TCRS retirement salary credit?

No, the severance payment will not be included in your TCRS salary credit.

H. Insurance Continuation**If I participate in the VBP, how do I continue medical insurance?**

Non-retirees: You will have the option to continue insurance through COBRA. The State of TN Benefits Administration will mail your COBRA enrollment to your home address.

Retirees under age 65: You will have the opportunity to continue your same coverage at a reduced premium based on your years of service.

For retirees age 65 and over: Your coverage will end with your employment. Medicare will become primary coverage. The State of TN will offer you a Medicare Supplement called the TN plan.

If I participate in the VBP, how do I continue dental insurance?

You will have the option to continue insurance through COBRA. The State of TN Benefits Administration will mail your COBRA enrollment to your home address.

If I participate in the VBP, how do I continue life insurance?

For the basic life that is included with the health insurance program, you will be offered a conversion option from the underwriter, Securian Financial (Minnesota Life). For optional term and universal life coverage, Securian Financial (Minnesota Life) will offer either conversion options or direct billing options. You will receive letters from the appropriate companies after your coverage ends with the College.

When will my insurance (health, life, dental) coverage end if I am accepted into the VBP?

Insurance is paid one month in advance. Your May check will pay for June coverage; coverage will end June 30.

If there is any difference between an explanation on this FAQ Information Sheet and the Voluntary Buyout Program Document, the terms of the Voluntary Buyout Program Document will control.