

As part of its effort to reduce the structural budget, California State University, Sacramento (the “University”) is implementing an EARLY EXIT Program (EEP), intended to encourage employees, who meet the eligibility criteria set forth in paragraph 1 of the TERMS AND CONDITIONS below (“Employees”) to voluntarily separate with severance on or before June 30, 2025. This is a one-time, non-precedent setting program. Employees interested in participating in the EEP should carefully read the TERMS AND CONDITIONS and APPLICATION. Participation in the EEP requires the execution of separation agreements, which include a general release of all claims further explained below.

### **TERMS AND CONDITIONS**

The University hereby implements the EEP with the following terms and conditions:

1. **Employee Eligibility** – Employees must meet **all** of the criteria below to participate in the EEP.
  - 1.1. Employee Status – As of the application deadline on June 15, 2025, and continuing up until the date and time of the employee’s separation determined in accordance with the EEP, employee must be tenure track faculty (at any rank) or a lecturer with a three (3) year contract.
  - 1.2. Years of Service to the University – As of June 15, 2025, employee must have at least one (1) year of service to the University to be eligible. Service does not need to be served consecutively and excludes student employment.
  - 1.3. No Faculty Early Retirement Program (FERP) – Faculty currently FERPing are not eligible. Faculty with applications to FERP pending, are also ineligible, unless they rescind their request to FERP prior to the EEP application deadline.
  - 1.4. No Rehired Annuitants – Rehired annuitants are not permanent employees and, therefore, are not eligible.
  - 1.5. Previous Notice of Retirement or Separation – Employees who have submitted a ‘*Notice of Intent to Retire*’ or written voluntary resignation on or before (date EEP application period opens) are not eligible to participate.

2. **Severance** – Employees who voluntarily separate as part of the EEP will be offered severance pay. In exchange for voluntarily separating and executing separation agreements (which include a release of all claims), employees will receive an amount equivalent to six (6) months' salary, subject to a maximum cap of \$75,000. The amount of the severance pay is calculated using an employee's monthly base salary at the time of the application deadline on June 15, 2025. Separation must occur on or before June 30, 2025. The University and the Union agree to meet and discuss to extend the separation date for extenuating circumstances on a case-by-case basis.

The severance pay is divided into two (2) parts. Employees will receive eighty (80) percent of the calculated severance amount in exchange for signing the FIRST SEPARATION AGREEMENT & RELEASE, after receiving conditional approval to participate in the EEP (as explained in Section 5). Employees will receive the remaining twenty (20) percent of the calculated severance amount for signing the FINAL SEPARATION AGREEMENT & RELEASE on their last day of employment.

The severance shall be divided in two (2) parts, as described above, within thirty-one (31) calendar days after the separation date as indicated on the FIRST SEPARATION AGREEMENT & RELEASE and the FINAL SEPARATION AGREEMENT & RELEASE.

Note 1: For purpose of calculating the amount of severance pay under this paragraph, only the employee's base salary for employment eligible in Section 1.1 above will be considered. Examples of items not included in an employee's base salary include, without limitation, salary or other pay for appointments in excess of a 1.0 time base, salary or other pay for employment not eligible under Section 1.1 above.

Note 2: Severance pay is taxable income and will be paid through the State Controller's Office. This income is not considered compensation earnable for purposes of calculating CalPERS retirement benefits.

### 3. Limitations

3.1. No Entitlement – Submission of an application is not an entitlement and not a guarantee of participation. All provisions of the EEP are subject to change.

3.2. In Order of Application – Applications must be received on or before June 15, 2025, to be considered. Complete applications will be processed on a first come, first serve basis in the order which the applications are

received by the appropriate administrator. Incomplete applications will not be processed and will be returned to the employee. There is no guarantee that an application will be processed before the termination of the EEP. Termination of the EEP may occur at any time at management's discretion, including but not limited to expenditure of funds allocated to the EEP.

- 3.3. Funding – A one-time allocation of funds has been earmarked for the EEP. Once these funds have been assigned to approved participants, the EEP will be closed to further applications. However, termination of the EEP may occur at any time and without notice.

#### **4. Approval Process**

- 4.1. Application – The APPLICATION must be completed accurately and signed by both the employee and the appropriate administrator. Please note that the employee still must sign the FIRST SEPARATION AGREEMENT & RELEASE after submitting the APPLICATION. It is the employee's responsibility to collect all pertinent information before submitting to their appropriate administrator.

- 4.2. Deadline – Applications must be received by June 15, 2025, by 11:59pm, and must be submitted via Adobe Sign.

- 4.3. Irrevocable after Execution of Separation Agreement and Release – Employee agrees that participation in the EEP and receipt of the severance pay is conditioned on their voluntarily resignation of employment from the University (including from any and all appointments and/or positions held with the University) and execution of the separation agreements. Employee acknowledges that their resignation is voluntary, permanent, and will be irrevocable as of the date of the execution of the FIRST SEPARATION AGREEMENT & RELEASE. The employee will be required to waive any rights they may have under any applicable law, regulation, Collective Bargaining Agreement or policy to revoke or rescind their resignation.

- 4.4. Separation Date – The separation date must be on or before June 30, 2025, unless the University and the Union have met and agreed to extend due to extenuating circumstances. In all instances, the separation date is determined in conjunction with the appropriate administrator to ensure business continuity. If the employee intends to retire, it is highly recommended that the employee immediately contacts CalPERS at 1-888-CalPERS (1-888-225-7377), as the CalPERS retirement processing may take up to 3-4 months.

5. **Execution of Separation Agreement** – The appropriate administrator will review the employee's APPLICATION to confirm their eligibility to participate in the EEP based on the TERMS AND CONDITIONS specified in this program. If the appropriate administrator confirms that the employee is eligible to participate in the EEP, the administrator will conditionally approve the employee's APPLICATION. The approval is conditioned on the employee's timely execution of the FIRST SEPARATION AGREEMENT & RELEASE.

Human Resources will notify the employee of the conditional approval by email and send the employee the FIRST SEPARATION AGREEMENT & RELEASE. The FIRST SEPARATION AGREEMENT & RELEASE will include, among other provisions, a general waiver and release of all claims. The employee will have fourteen (14) calendar days from the date Human Resources sends the employee the notice of the conditional approval and the FIRST SEPARATION AGREEMENT & RELEASE to return an executed FIRST SEPARATION AGREEMENT & RELEASE to Human Resources via Adobe Sign. Failure to return the executed FIRST SEPARATION AGREEMENT & RELEASE within the specified time period will result in the University rescinding the conditional approval of the employee's APPLICATION to participate in the EEP.

Human Resources will send the employee the FINAL SEPARATION AGREEMENT & RELEASE at least fourteen (14) calendar days before the employee's final date of employment. The employee must execute the FINAL SEPARATION AGREEMENT & RELEASE on their final date of employment and return to Human Resources via Adobe Sign. Failure to timely return an executed FINAL SEPARATION AGREEMENT & RELEASE to Human Resources will result in the employee not being eligible for the remaining and final twenty (20) percent of severance pay.

6. The EEP is not to be construed as a waiver of management's rights. The University retains and reserves unto itself, without limitation, whether exercised or not, all powers, rights, authorities, duties, and responsibilities which have not been specifically abridged, delegated or modified by any current and respective Collective Bargaining Agreement. Nothing in this EEP shall constitute a waiver of management's rights to enforce any articles under any Collective Bargaining Agreement, including but not limited to articles related to layoff.