

**University System of New Hampshire
COVID-19 Severance Policy
June 2020**

As one mechanism to address the financial challenges brought on by responding to the COVID-19 pandemic and declining enrollments, the University System of New Hampshire (USNH) is offering a severance policy to achieve permanent headcount reductions. The program provides more benefits based on service, which is prevalent in higher ed institutions. This policy will supersede the current USY Lay-off, Reduction-In-Force and new/temporary COVID-19 enhanced lay-off policies, will sunset on June 30, 2022 unless it is made permanent at that time with potential modifications, and is subject to negotiations with each respective collective bargaining group, as applicable.

Plan Details

- All participants will receive 4 weeks of base pay minimum plus 1 week for every year of status service, capped at 39 weeks. Base pay excludes all additional pay including longevity pay and overtime, etc. Payment will be processed via salary continuation.
- If currently enrolled at time of separation, participants will receive medical (CIGNA and prescription service) coverage continuation equal to 4 weeks minimum plus 1 week for every year of service, **capped at 26 weeks or age 65** (whichever is reached first), at the current employee rate.
- Medical coverage requires enrollment in COBRA and will be at subsidized COBRA rates. Ongoing medical coverage after the subsidized level may continue at full COBRA rates. (Note that Medicare enrollment rules apply for any covered member eligible for COBRA.) No other benefits are continued unless at full cost under COBRA.
- If the employee accepts employment within USNH during the severance payout period, severance payments end and the Break In Service policy (USY.V.A.11) applies. The employee continues to participate in the grandfathered benefits they had before their position ended under the Severance policy, such as longevity pay, ARC or Retiree Medical.
- For employees rehired into a USNH status position following position elimination under this policy and a break in service, the Breaks In Service policy (USY.V.A.11) applies. By exception, grandfathered benefits they participated in before loss of position using the Severance policy will be reinstated upon rehire into the status position, including longevity pay, ARC or Retiree Medical. Paid leave accruals follow the USY.V.A.11.1 and USY.V.A.11.2).

Examples:

1. An employee with 30 years of status service will receive 34 weeks salary and 26 weeks of continued medical benefits at current employee rates.
2. An employee with 10 years of status service will receive 14 weeks of salary and medical coverage.
3. Employee turns 65 while under this coverage, he/she will be removed from subsidized

COBRA coverage and will need to apply for Medicare. Employee over 65 is not eligible for subsidized COBRA coverage and employee with Medicare eligibility coinciding with COBRA effective date will not be eligible for COBRA, but eligible covered family members will be offered COBRA at the full COBRA rate.

To ensure ongoing financial stability, it is critically important to achieve headcount reductions as part of our structural changes, and the severance policy offers valuable and equitable benefits to achieve this goal. USNH will continue to implement restructuring plans to further reduce headcount to necessary levels as needed.