

Guidelines for Employee Separation Agreements:

The University may wish to enter into a separation agreement with a member of the faculty or staff when it is determined that by resignation or retirement from the University, a clear benefit to the University would result. These agreements are neither entitlements nor rewards for meritorious service to the University. These guidelines do not apply to special retirement programs instituted by specific units. Campuses may impose additional or narrower restrictions and are responsible for providing specific implementation procedures on their campuses. Deans, Directors or supervisors contemplating an agreement should consult with their respective campus or university human resources office concerning the terms of the agreement.

Guidelines

1. Acceptance of a separation agreement by an individual must be voluntary and free from coercion.
2. Such agreements must provide a benefit to the University. Situations in which there may be a benefit to the University include, but are not necessarily limited to the following:
 - the agreement results in a cost savings to the University;
 - the agreement minimizes risks of operational disruption;
 - the employee has agreed to release or settle a pending or potential lawsuit, administrative action or claim against the University;
 - for Staff employees, an agreement provides the employee in a layoff situation an opportunity to retire while avoiding displacing a less senior employee or otherwise avoid seriously disrupting unit and campus operations;
 - the employee relinquishes the right to a tenured or a civil service position or the right to a notice of non-reappointment (if an academic professional employee) and establishes a terminal date of employment that is favorable to the University.
3. Considerations in these agreements must conform to the following:
 - a. Separation Date. The effective date of the employee's separation from the University must be as soon as possible, but not later than twelve months from the effective date of the agreement. The campuses will require special approval based upon strong justification for any date more than twelve months into the future.
 - b. Salary Increases. Salary increases contained within an agreement should normally not exceed 6% per year. Any proposed increase in excess of 6% is subject to prior written approval by the President, Chancellor, or designee.
 - c. Summer Salary. Summer appointments for 9-month faculty may be negotiated and should be accompanied by a definition of duties.
 - d. Payments. As consideration for a separation agreement, the employee may be paid a lump sum up to 25% of his/her annual salary. Any proposed payment in excess of 25% is subject to prior written approval by the President, Chancellor or designee. The office of Business and Financial Services (University Tax and University Payroll) should be consulted, as necessary.
 - e. Sabbatical Leave. Sabbatical leave and/or waiver of return following a sabbatical may not be used in negotiating agreements.
 - f. Post-retirement Employment. Agreements for specific services to be rendered for a salary may be included in these agreements, and in most circumstances, that salary may be excluded from the total cost of the agreement. Re-employment obligations must be limited to a maximum period of three years and are limited to faculty teaching, research, and patient care or staff research funded by grants and contracts. Any other re-employment is discouraged unless there is a clear need and benefit for the University, subject to prior written approval by the President, Chancellor, or designee.
 - g. For union-represented employees, the proposed agreement must be presented to and approved by the union.

4. The total cost of the agreement should not exceed the employee's current annual salary. Total cost is defined as the sum of all payments to the employee up to the separation date in excess of what would have been the normal salary cost incurred based on the employment rights as referenced in number 2 above. Therefore, total costs do not include vacation and sick leave payout, the employer's portion of any early retirement penalty, or modest costs for specific services to be rendered post-retirement.

5. All proposed agreements must be approved based on the reporting chain of the employee, up through the Campus Provost or Chancellor or the University Vice President and Comptroller, in situations involving University Administration employees. All proposed agreements must be and approved as to form by University Legal Counsel.

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For further information regarding the implementation of these Guidelines, please contact the following Human Resources offices:

University Administration: <https://hr.uillinois.edu/>

Urbana: Academic Human Resources: <http://www.ahr.illinois.edu/>
Staff Human Resource: <http://www.shr.illinois.edu/>

Chicago: Faculty: <http://www.uic.edu/depts/oaafahr/>
Academic Professional and Civil Service: <http://www.uic.edu/depts/hr/index.shtml>

Springfield: <http://www.uis.edu/humanresources/>