St. Cloud State University
Board Early Separation Incentive (BESI) Program
Frequently Asked Questions

1. **What is a BESI?**
A “BESI” (Board Early Separation Incentive) is a Minnesota State Colleges and Universities incentive designed to encourage early separation of selected employees from employment with Minnesota State Colleges and Universities, in order to reduce salary and benefit obligations in anticipation of reduced state funding; reallocate resources to departments and programs in response to changing needs or strategic objectives; or achieve other cost savings or efficiencies. The BESI is intended to supplement the range of budget management options available to the university. See [Minnesota State Board Policy 4.11](#) for additional information.

2. **Why is St. Cloud State University offering BESIs?**
St. Cloud State University is anticipating a shortfall in its base budget for fiscal year 2021 of approximately $13 million. In order to offset the anticipated shortfall and allow strategic investment of available resources, it was determined beneficial for the university to encourage early separation of faculty and staff.

3. **How many BESIs will SCSU accept?**
SCSU has determined it is willing to accept up to 33 BESIs.

4. **Who is eligible for a BESI?**
A Minnesota State Colleges and Universities’ employee may be provided a Board Early Separation Incentive only if all of the following conditions are met:

- The employee occupies a continuing position within Minnesota State Colleges and Universities at the time of separation from employment
- The employee's position is identified for elimination or replacement by the president
- The employee is at least 55 years of age at the time of separation from employment
- The employee has completed at least five years of continuous service as provided in Minnesota State Board Policy 4.11 Board Early Separation Incentive Program
- The employee is eligible for employer contributions for health and dental insurance premiums, whether or not the employee chooses to receive them
- The employee voluntarily accepts the Board Early Separation Incentive and signs a statement indicating his or her voluntary acceptance of the Board Early Separation Incentive and the date of the separation from employment

5. **Are all eligible employees offered a BESI?**
No. The president has sole discretion over whether or not to offer BESIs; she identifies positions where the position’s elimination or replacement aids the university in meeting its strategic goals.

6. **If I accept the BESI, will that ensure others in my program/department do not get retrenched/laid off?**
This may turn out to be the case but unfortunately no assurance can be given. St. Cloud State University is anticipating a shortfall in its base budget for fiscal year 2021 of approximately $13 million. In order to offset the anticipated shortfall and allow strategic investment of available resources, the university will engage in multiple strategies. The BESI is one strategy we are implementing. All strategies available to the university will be considered in resolving the budgetary shortfall. No strategy or action will be made without thoughtful analysis of the circumstances and status of each program.

7. **How will I know if I am offered a BESI?**
All employees who are offered a BESI will receive an offer letter at their home address sent via the United States Postal Service.
8. If I am offered a BESI, do I have to accept it?
No. You may choose to accept or not accept the BESI.

9. If I am offered a BESI, how long do I have to decide if I want to accept it?
You will have 21 days from the date of the BESI offer to accept the BESI. Specific instructions and dates will be included in the BESI Offer Letter.

10. If I elect to accept the BESI, am I required to submit a hard copy of the BESI Employee Acceptance Form to the Office of Human Resources?
Although we prefer you submit the original signed copy of the BESI Employee Acceptance Form to the SCSU Office of Human Resources, we understand this may not always be possible. You may scan the signed form and submit it electronically to humanresources@stcloudstate.edu. It is important the signed form is received by the SCSU Office of Human Resources by the time and date identified in the BESI Offer Letter.

11. Who determines the value of the BESI? What is the value of the BESI offered by SCSU?
The president establishes the value of the BESI incentive. SCSU is offering either 50% of base salary or 2.5% of base salary x years of service, whichever is greater, as the BESI incentive. The value of the BESI incentive may not exceed the annual base salary of the employee.

12. How will the BESI incentive be paid?
As prescribed in Minnesota State Board Policy 4.11, BESIs shall be allocated between health care savings plan (HCSP) contributions and cash payments as follows:

- BESIs will be allocated to the health care savings account, to the extent that the president has made available board early separation incentive funding for the individual in accordance with this policy; and projected health care insurance premiums from the date of separation to age 70 (age 65 for faculty members represented by the Inter Faculty Organization).
- If the Board Early Separation Incentive exceeds the amount necessary to meet the contribution as described above, payment shall be made in cash to the individual. A cash payment shall not exceed the lesser of the amount of the board early separation incentive available to the individual after contributions to the health care savings account; or the established limitations on cash payments in Minnesota Statutes sections 136F.481 and 43A.17, Subd. 11.

If any portion of the identified Board Early Separation Incentive remains following allocation under paragraphs one and two above, the remainder shall be contributed to the individual's health care savings plan.

13. What is a Health Care Savings Plan (HCSP)?
The HCSP is an employer-sponsored medical savings account. When you separate from employment, you may access the funds to reimburse eligible medical expenses. Funds placed in the HCSP are pre-tax which often provides you with greater value than getting the funds paid in cash and taxed. You may find more information about the HCSP at Minnesota State Retirement System. A document listing eligible medical expenses is also available.

14. If I accept a BESI am I still eligible for severance and other separation incentives that are part of my bargaining agreement?
Both the IFO and MSUAAASF bargaining units have unique provisions for separation/retirement. If you are a member of these bargaining units, offered a BESI, and are eligible for those provisions, you will be notified of your eligibility for these provisions in the BESI Employee Acceptance Form. You are also always welcome to meet with your Human Resources Benefits Specialist in the SCSU Office of Human Resources.

15. If I am an IFO member and currently on an Annuitant Employment Program (AEP) or on a phased retirement program, am I eligible for a BESI?
No. IFO members on an AEP program are already receiving retirement benefits and IFO members who are on a phased retirement program have already provided a date certain for final separation from employment. Both circumstances make a faculty member ineligible for a BESI.
16. Are there limits to how many BESIs will be accepted by the university? What if there are more people willing to accept a BESI than there are BESIs determined to be available?
The president may limit the number of BESIs that will be available. If the number of interested eligible employees exceeds the limit set by the president, a random selection process will be used.

17. If I accept a BESI, may I accept a different position within the Minnesota State System?
If you accept a BESI, you are precluded from employment within the Minnesota State Colleges and Universities System for one year.

18. If I accept a BESI, may I accept a position with a different State of Minnesota agency or with an institution outside the Minnesota State System?
If you accept a BESI, you may accept employment at other State of Minnesota agencies and at institutions outside the Minnesota State Colleges and Universities System.

19. Who may I contact if I have further questions?
Please contact your Human Resource Benefits Specialist in the Office of Human Resources if you have further questions about this BESI program.