

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 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?

In our effort to manage the University’s immediate budget deficit and its on-going structural deficit, St. Cloud State University is making BESI’s available to select faculty where reducing capacity is possible, both to reduce total salary or excess faculty capacity; where program adjustment or strategic realignment may be considered, and where additional expertise may be needed.

3. How many BESIs will SCSU accept?

SCSU has determined it is willing to accept up to 137 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. Within a seniority program, as determined by the President, all eligible members of a bargaining unit will be offered a BESI.

6. Can a BESI be offered to a faculty member when the faculty member is cross-rostered in a department where BESI’s will be offered?

BESI’s will be offered by department roster and cross rostered individuals will not be offered unless specifically noted in an offer.

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 and email. This year offers to members of the teaching faculty will be sent on October 23, 2023 and must be returned on or before November 30th, 4:30 p.m.

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 a minimum of 21 calendar 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. All base salary amounts are calculated as of the base salary at the time of the BESI offer, and not the base salary at separation or after any applicable separation incentives.

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 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?

The IFO contract with Minnesota State has unique separation/retirement incentives. If you are represented by the IFO and you are offered a BESI, you will be notified of your eligibility for these provisions in the BESI Employee Acceptance Form. You are also always welcome to meet with a [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 participating in a phased retirement program with an established date for final separation from employment are also receiving retirement benefits. Both circumstances make a faculty member ineligible for a BESl.

16. Are there limits to how many BESIs will be accepted by the university? What if there are more people willing to accept a BESl than there are BESIs determined to be available?

All faculty who satisfy the basic age and service criteria stated in the Board's BESl Policy will be offered a BESl and SCSU will agree to take all BESl's that are accepted by the faculty member.

17. If I accept a BESl, may I accept a different position within the Minnesota State System?

If you accept a BESl, you are precluded from employment within the Minnesota State Colleges and Universities System for one year. This includes work performed as a contractor.

18. If I accept a BESl, 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 BESl, you may accept employment at other State of Minnesota agencies and at institutions outside the Minnesota State Colleges and Universities System.

19. If a faculty member currently on sabbatical (2023-2024) is eligible for a BESl and wants to accept, are they allowed?

Yes, a faculty member on sabbatical can accept a BESl. However, the faculty member is still required to return and fulfill their teaching requirement. In these cases, the retirement date can be delayed but no later than May 2025.

20. Can an IFO member who accepts and receives a BESl in the spring of 2024 teach in the summer of 2024?

Yes, if you are scheduled to teach summer courses, your separation date will be August 8, 2024.

21. Can an employee who has accepted a BESl access professional development or professional improvement funds?

These funds are only available to employees of the university. Once an employee has separated from SCSU they no longer have access to professional development funds.

22. Will BESl's be offered next year?

While we cannot predict this with any certainty it seems unlikely. The reason is that retirement incentives are costly to the institution.

23. 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 BESl program.

24. The letter states that SCSU is seeking a Memorandum of Agreement (MOA) to allow faculty who have received the BESl offer to receive the Early Retirement Notice (ERN) steps as described in Article 11 and eligible faculty to receive the Early Separation Incentive (ESI) benefits as described in Article 16. What happens if the MOA doesn't get signed?

Your BESl offer remains the same, however, your severance was calculated with the additional 2 steps from the ERN added to your current base salary. If the MOA is not signed, severance would be recalculated based on your current salary which could impact the amounts deposited into your HCSP or paid out in cash. Additionally, faculty eligible for the ESI would not receive this incentive and the total offer would be adjusted accordingly.

25. If I accept a BESl, when will I receive my 2-step increase?

Once you submit a signed acceptance letter, that letter will be forwarded to the president for review and approval. If your BESl has received final approval and been accepted, HR's goal is to submit 2-step increases (assuming that the MOA is approved and signed to allow for ERN/ESI benefits) to the service center for processing

for the pay period ending 2/13/24. Due to the possible volume of processing requests, the service center may take until pay period ending 2/27/24 or longer for processing. If payouts are able to be processed for pay period ending 2/13/24, then a lump sum for backpay for the 2-step increase would be added to that paycheck, and then the 2-step increase would be added to the remaining paychecks through August (for those faculty on the 12-month pay plan).

26. If I accept a BESİ, when will I receive my BESİ separation payments?

Once you submit a signed acceptance letter, that letter will be forwarded to the president for review and approval. If your BESİ has received final approval and been accepted, then your regular pay must be completed before you can receive separation payouts.

HR's goal is to submit separation payments on the following timelines for the following faculty pay options:

Faculty members on the 9-month pay option

- Goal to submit separation payment requests for the pay period ending 6/4/24.

Due to the possible volume of processing requests, the service center may take until pay period ending 6/18/24 or longer for processing.

Faculty members on the 12-month pay option

- Goal of submitting separation payment requests for the pay period ending 8/27/24

Due to the possible volume of processing requests, the service center may take until pay period ending 9/10/24 or longer for processing.

For any faculty who are on a sabbatical, and must return to fulfill their post-sabbatical teaching responsibilities after the sabbatical, their separation payments will be submitted for processing after their last regular pay is finished paying out. Processing dates will depend on when those faculty members have completed their post-sabbatical teaching responsibilities. BESİ payment amounts for faculty separating after completing their post-sabbatical teaching responsibilities will still be the same amount as the estimated BESİ offer that faculty members received in the offer letter on 10/23/23. Severance pay may be different than the estimated amount, depending on use/accumulation of sick leave during the time that the faculty member is fulfilling their post-sabbatical teaching responsibilities.

27. Can I defer my BESİ payments into my deferred compensation or tax-sheltered annuity account?

Per MMB, early separation payments and early notice of retirement payments are not eligible to be tax deferred. Regular pay that is part of early separation/early notice payments can be tax deferred.