

**Attachment #1**

**RCUH Severance Policy**  
**for**  
**Multi-Year Competitive Agreement-Funded Projects**

The RCUH Severance Policy for Multi-Year Competitive Agreement-Funded Projects is modeled on general industry-standards. This policy is an addendum to the RCUH Termination of Employment Policy (#3.285).

**PURPOSE:** The purpose of this policy is to provide financial support to an eligible employee who is involuntarily terminated from employment due to failure in a re-competition process of a Multi-Year Competitive Agreement or if successful in the re-competition process; new operating conditions necessitates an involuntary reduction-in-force. This severance policy does not apply to staff that is retained by the project's successor employer nor does it apply to any staff retained by the RCUH in a similar job or a job with similar job duties with equal or higher pay than the employee's current job. This severance policy does not apply to other types of sponsored agreements, grants or contracts. This severance benefit payment is in addition to any final payroll, vacation payout, or pay adjustment owed to the employee on the date of the involuntary lay-off.

(a) **Eligibility:** Regular status, full or part-time employees on the active payroll (i.e., terminated from employment at or prior to the effective date of the severance) and have been employed by the MHPCC for at least six-months of continuous service and successfully passed their new hire probation period. Employees will be required to sign a Separation Agreement as a condition to receive his/her Severance Benefit.

(b) **Ineligibility:** Employees are not eligible if they fail to qualify as described in (a) above. In addition, this severance policy does not apply to staff that is retained by the project's successor employer or employees who refuse to accept similar job (i.e., job duties) with UH, RCUH or for a UH or RCUH-designated successor employer.

(c) **Severance Benefits:** The amount of the severance benefit an employee is eligible to receive will depend on the employee's length of service with the **(PROJECT NAME)** and the employee's pay rate at the time of the involuntary lay-off. For each full year of service (i.e., for 100% FTE = 2080 hours) with **(PROJECT NAME)**, up to a maximum of 26 years, the employee will receive one-week of pay. All eligible employees (as defined in (a)) will receive a Basic Severance Benefit of 2-weeks' pay as defined below.

- (d) **Week of Pay defined:** Week of Pay = The Base Hourly Pay Rate (BHPR) multiplied by the employee's Regular Weekly Hours Worked (RWHW).
- (e) **Base Hourly Pay Rate (BHPR) defined:** For salaried employees BHPR = Base monthly salary divided by 173.333 hours. No overtime, temporary adjustments or pay differential are included in the Base Monthly Salary. For hourly employees BHPR = Base Hourly Rate excluding any overtime, temporary adjustments or pay differentials.
- (f) **Regular Weekly Hours Worked (RWHW) defined:** RWHW = FTE status multiplied by 40 hours.
- (g) **Administration of Severance Plan:** As soon as practical (but not later than 30-working days prior to the effective date of the involuntary lay-off), the Principal Investigator will inform the RCUH Human Resources Department of the names of employees who will be involuntarily laid-off, effective date of the termination, and project number to be used to pay for the severance payment. The RCUH Human Resources Department will be responsible to send termination notices to each affected employee and to calculate each affected employee's severance benefit. The financial impact and related information will be provided to the Principal Investigator and applicable Fiscal Officer for final review and authorization for payment. Severance Benefits will be paid no sooner than one pay period following the effective date of the involuntary lay-off and receipt of the employee's signed Separation Agreement. The RCUH Director of Human Resources will have final authority on any issue relating to this policy.

**Attachment #2**

**The Research Corporation of the University of Hawaii**

---



Human Resources Department

\_\_\_\_\_, 2011

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Re: Severance Payment & Separation Agreement**

Dear \_\_\_\_\_:

This is to confirm notice of termination and separation from employment at the PROJECT NAME through the Research Corporation of the University of Hawai'i ("RCUH"). We recognize and appreciate the contributions you have made during your employment and we wish you well in your future endeavors.

To avoid any further disputes or misunderstandings which may arise from your employment and separation from employment at PROJECT NAME through the RCUH, and to protect the interests of all parties, including PROJECT NAME, RCUH, the University of Hawai'i ("UH") and yourself, we have agreed to the following terms:

1. Your position with the PROJECT NAME has been terminated due the (Non-Renewal of the CONTRACTING AGENCY contract OR Renewal of the CONTRACTING AGENCY contract and subsequent Reorganization of PROJECT NAME) effective October 1, 2011. Your separation from employment with RCUH will be effective on close of business September 30, 2011. Effective immediately, you must return any and all items belonging to PROJECT NAME, RCUH or UH, including, but not limited to keys, security cards, equipment, supplies, materials, records or other property you may have in your possession.
2. Upon receipt of this Separation Agreement, you will receive a Severance Payment of \$\_\_\_\_\_. This amount is based on one (1) week pay at your current base pay rate for each of your completed years of service at the PROJECT NAME.
3. You will receive all salary earned up to and including your last day of employment. You will also be paid for additional remaining vacation pay and for any personal business expense reimbursements. There will be no outstanding amount due to you beyond your last date of employment.
4. You may, at your option and at your own expense, continue your participation in RCUH's medical and/or dental plans in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). A copy of your HIPAA certificate of creditable coverage is also enclosed.
5. You will be paid for any vested benefits you may have in the RCUH

retirement plans, in accordance with the terms of those plans. Please contact RCUH for specific information on these benefits.

Hereinafter "PROJECT NAME" refers collectively to PROJECT NAME, UH and RCUH. This Agreement is intended to and does apply to \_\_\_\_\_ (Employee's Name) current or future claims against the PROJECT NAME in their entirety.

In consideration of the foregoing, you agree to:

- (a) Hereby release, forever discharge and indemnify PROJECT NAME, along with their parent corporations, affiliates, shareholders, directors, officers, employees, agents, representatives, administrators, regents, partners, insurers, attorneys, successors and assigns, from any and all claims, charges, demands, damages, complaints, obligations, and causes of action (including, but not limited to attorney's fees and costs actually incurred), of any nature whatsoever, in law or equity, which you have, ever had, now have, or which your respective heirs, assigns or personal representatives hereafter may have, from the beginning of time to the effective date of this Agreement, whether known or unknown. Included in this release are any claims, whether known or unknown, arising from any alleged violation of PROJECT NAME and its parent corporations, affiliates, shareholders, directors, administrators, regents, officers, employees, partners, agents, attorneys, insurers, successors and/or assigns, of any federal, state or local statutes, ordinances or common law, including but not limited to, public disclosure of private fact, promissory estoppel, quantum meruit, libel/slander, misrepresentation, emotional distress (negligent or intentional), fraud or deceit, false light, defamation, unpaid wages, equitable claims, breach of contract, wrongful discharge, breach of an implied-in-fact contract, breach of public policy, sexual harassment, retaliation, assault, false imprisonment, battery, the Age Discrimination in Employment Act ("ADEA"), the Civil Rights Act of 1964, as amended ("Title VII"), Americans with Disabilities Act ("ADA"), Employee Retirement and Income Security Act ("ERISA"), claims under 42 U.S.C. § 1983, the Hawai'i Whistle Blowers Protection Act, federal and state Occupational Safety and Health Act, the Hawai'i Employment Practices Law, the Hawai'i Civil Rights Act, Hawai'i's Payment of Wages Law, and all federal and state laws and regulations regarding employment matters.

You have twenty-one (21) days to review and consider this Release, which waives your rights and claims under the Age Discrimination in Employment Act ("ADEA") (29 U.S.C. § 621, et seq.) and seven (7) days from the date of execution of this Agreement to rescind the portion of this Agreement relating to the ADEA by giving notice to Mr. Nelson Sakamoto, Director of Human Resources at the RCUH at (808) 956-6965. If so rescinded, the entire Agreement will be invalid.

and

- (b) Keep secret and retain in the strictest confidence any confidential information about PROJECT NAME, and its parent corporation, affiliates, shareholders, directors, officers, employees, agents, representatives, successors, assigns, and clients which you acquired while an employee at PROJECT NAME and in your relationship to RCUH and UH, including, but not limited to, information about business and financial matters such as costs, budget/financial information, plans for re-competition, future expansion or development, plans for rendering additional services, methods of operation and marketing concepts, employment policies and plans.

6. You and PROJECT NAME have a mutual interest in avoiding public commentary concerning your separation and this Agreement, except as may be required by law. Therefore, you and PROJECT NAME agree to keep the circumstances of your separation and the terms and conditions of this Agreement strictly confidential, except as required by law. Clients and employees will be informed, if necessary, that you have resigned for personal reasons.

7. This Agreement is and shall be binding upon the parties, the respective spouses, children, heirs, executors, administrators, affiliates, shareholders, directors, officers, employees, agents, insurers, representatives, successors and assigns, and shall inure to the benefit of same.

8. This Agreement contains the entire understanding of the parties hereto, and fully supersedes any and all prior agreements or understandings pertaining to the subject matters of this Release. Each of the parties hereto acknowledge that no party or agent of any party has made any promise, representation or warranty whatsoever, either expressed or implied, not contained herein concerning the subject matters hereof to induce any other party to execute this Agreement, and each of the parties hereto acknowledge that it has not executed this Agreement in reliance of any such promises, representations or warranties not specifically contained herein.

9. You and PROJECT NAME expressly understand and acknowledge that this Agreement may be pleaded as a defense to, and may be used as the basis for an attempted injunction against any action, suit, administrative or other proceeding which may be instituted, prosecuted or attempted as a result of an alleged breach of this Agreement by any party.

10. This Agreement is made and entered into in the State of Hawaii and shall be interpreted and enforced under and pursuant to the laws of the State of Hawaii. If any provision of this Agreement is found to be unlawful, unenforceable, or void in any respect whatsoever, the remaining provisions of the Agreement will be unaffected and will remain in full force and effect.

11. This Agreement may not be altered, amended, modified or otherwise changed except by a writing executed by all parties hereto.

12. By signing below, you agree that you have carefully read and fully understand all of the provisions and effects of this Agreement, and had the opportunity to thoroughly discuss all aspects of this Agreement with your respective counsel. You agree that you have voluntarily entered into the Agreement, and PROJECT NAME has not made any representations concerning the terms or affects of this Agreement other than what is contained within this document. If you agree to all the provisions of this Agreement, please return the executed original of this Agreement to Nelson M. Sakamoto, Director of Human Resources for the RCUH.

13. It is the intent of each of the parties that this Agreement be construed according to the rules of construction generally applicable to contracts negotiated by parties represented by legal counsel. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties.

14. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement.

PLEASE READ CAREFULLY, THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS

PROJECT NAME/UH  
By

\_\_\_\_\_  
, Principal Investigator

\_\_\_\_\_  
Date

RCUH  
By

\_\_\_\_\_

\_\_\_\_\_  
Date

UNDERSTOOD AND AGREED

\_\_\_\_\_  
Employee Name

\_\_\_\_\_  
Date