

DePaul University
Severance Pay Plan For Staff Employees
Summary Plan Description

Amended and Restated as of June 1, 2023

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DePaul University Severance Pay Plan For Staff Employees Summary Plan Description

Introduction

DePaul University (the "Employer") hereby established the DePaul University Severance Pay Plan For Staff Employees (the "Plan"), effective July 1, 2014. The Plan was amended on June 1, 2017. The Employer hereby further amends and restates the Plan effective as of June 1, 2023. This summary plan description ("SPD") describes the Plan in effect as of June 1, 2023.

The Plan is an unfunded welfare benefit plan for purposes of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is to be administered and interpreted in a manner consistent with ERISA, applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder. The Plan supersedes any prior Employer severance plans, programs or policies covering eligible employees, both formal and informal.

The purpose of the Plan is to provide for an orderly and equitable transition for employees when a reorganization of the work force is necessary and results in an involuntary separation from employment. Prior to implementing such a reorganization, the Employer may consider other alternatives such as reducing personnel by attrition, hiring freezes, changing employee work schedules or reducing work hours, voluntary time-off or early retirement options. Conditions such as a decrease in student enrollments, budget constraints, efficiency improvements, or changing priorities and business needs may require reorganizations of the Employer's work force.

In planning and implementing a reorganization, the Employer will follow these principles:

- Ensure the continuation of high quality education and services to the Employer's students
- Support the commitment to diversity and equal employment opportunity
- Provide appropriate notice, alternative employment opportunities where possible, and approved services to employees affected by the reorganization

It is the Employer's goal to balance the needs of the Employer and minimize any disruption of educational services, while respecting the dignity of employees affected.

The Plan sets forth criteria and procedures to guide the fair and equitable treatment of all employees in the event of a reorganization of the work force that results in involuntary employment termination(s).

Eligibility

The Employer will provide severance benefits as stated in the Plan to all full-time and part-time exempt and non-exempt non-faculty employees of the Employer who are involuntarily separated from employment because of the elimination or restructuring of their position.

The following individuals are not entitled to severance benefits under the Plan:

- Employees who voluntarily resign or retire, or who are terminated for cause (as defined by the Employer);
- Employees covered by written employment agreements which contain severance provisions or by severance agreements;
- Employees hired for a specific term of employment that has a specified end date, including but not limited to temporary employees;
- Employees covered by a collective bargaining agreement;

- Student employees;
- Full-time and part-time faculty employees;
- Employees who have a non-U.S. home country or non-U.S. permanent residence, and are employed in a position that will require the employees to work in a non-U.S. location;
- Independent contractors (whether determined at a later date to be a common law employee or otherwise); and
- Employees whose positions are fully or partially funded by federal, state, private, or agency grants or by external parties. This includes but is not limited to employees whose employment with the Employer is pursuant to a written contract between the Employer and an external party, or whose positions are fully or partially funded by an external party.

Severance Pay

In exchange for providing the Employer with a valid Waiver and Release Agreement in a form acceptable to the Employer (see Waiver and Release Agreement section below), each employee who is eligible for severance pay under the Plan is eligible to receive severance pay in accordance with the following table:

Eligible Employee's Length of Service	Weeks of Severance Pay via Lump Sum
Up to 1 year	4 weeks
1 or more years	4 weeks plus 1 week per full year of service up to a maximum of 26 weeks

Length of service is calculated based on total continuous paid service, computed from the beginning of the last employment or re-employment date, including any approved leaves with or without pay up to the date of termination. This may include part-time and full-time employment in either a faculty or staff position, so long as the employee is in an eligible position at the time of termination. The calculation of continuous paid service does not include time spent in a student employment position, in a position that is fully or partially funded by federal, state, private, or agency grants or by external parties, in a position covered by a collective bargaining agreement, or in an independent contractor engagement.

For all purposes of the Plan, a "week of pay" shall be determined from the employee's regular base salary compensation rate on the employee's date of termination of employment with the Employer. For an affected part-time employee, his/her hours for calculating a "week of pay" for the severance payment will be based on the average of the actual hours worked in the past six months. For a part-time employee whose actual length of service is less than six months, his/her hours for calculating a "week of pay" for the severance payment will be based on the average of the actual hours worked since his/her hire date. Shift differentials, overtime premiums and other potential increments are excluded from the calculation.

An eligible employee who is notified that his or her employment will end in connection with a reorganization will receive a notice of termination. The employee will remain employed by the Employer during the period from the date of notification to the date of termination (the "Transition Period") on the same terms and conditions as other active employees of the Employer. During the Transition Period, the employee will be expected to cooperate and assist the Employer in transitioning existing projects and duties to others, as reasonably necessary and requested during the Transition Period. Except as specifically requested by the employee's supervisor, the employee will not be required to come into work during the Transition Period and will have no ongoing supervisory, budget, contract or other authority or responsibilities.

In addition to any severance pay provided under the Plan, an eligible employee who is separated from the Employer will be paid through the last day worked and will receive payment for unused, accrued vacation in accordance with the Employer's vacation policy.

Waiver and Release Agreement

In order to become eligible to receive the severance pay available under the Plan, an eligible employee must submit a signed Waiver and Release Agreement form ("Release") to the Plan Administrator on or within forty-five (45) calendar days of his/her receipt of the release, but in no event later than sixty (60) calendar days after the date of the eligible employee's termination of employment.

An eligible employee may revoke his/her signed Release within seven (7) calendar days of his/her signing the Release. Any such revocation must be made in writing and must be received by the Plan Administrator within such seven (7) calendar day period. An eligible employee who timely revokes his/her acceptance of the Release shall not be eligible to receive any severance pay under the Plan. An eligible employee who timely submits a signed Release and who does not exercise his/her right of revocation shall be eligible to receive severance pay under the Plan.

Eligible employees are advised to contact their personal legal counsel at their own expense to review the Release if they so desire.

Payment of Severance Pay

Severance pay will be paid in a lump sum following the eligible employee's date of termination of employment, however any severance pay which becomes payable will be paid only after the seven (7) calendar day revocation period for a signed Release has passed. All legally required taxes and other involuntary deductions shall be deducted from Plan severance pay payments.

In the event an eligible employee is reemployed by the Employer during a period of time covered by the severance pay amount, he/she shall be required to repay to the Employer that portion of the lump sum payment attributable to the period of time from the date his/her reemployment begins to the date that would account for the number of weeks of severance pay remaining.

Career Transition Services

If you have been notified that your position will be eliminated, you will be offered career transition services in accordance with the guidelines established by Human Resources. Career transition services are not available if you have rejected an equivalent job opportunity with the Employer.

Continuation of Certain Benefits

Each employee who is eligible for severance pay under the Plan is eligible to continue participation in certain benefits as described in more detail below.

Group Health Insurance – An eligible employee and his/her eligible dependents who were participants in one of the Employer's group health (medical, dental, vision) insurance plans may continue group health benefits under continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA"). Generally, the eligible employee and his/her eligible dependents may elect to continue to participate in the group health plan for up to 18 months following the employee's termination date, provided that the COBRA continuation coverage period may be shortened or extended if certain events occur. For more information about COBRA continuation coverage, please refer to the separate SPD for the DePaul University Health Benefits Plans.

In addition to the severance pay benefit described in the Severance Pay section above, an eligible employee who was enrolled in one of the Employer's medical plans at the time of termination and who completes the Release in accordance with the requirements of the Waiver and Release section will have access to subsidized medical coverage through the Employer's COBRA plan. The subsidy will be equal to the Employer's cost of providing group medical coverage based on the eligible employee's elected medical coverage at the time of termination. For purposes of determining the Employer's cost of providing group medical coverage, only the employee's elected coverage under the Employer's medical

plan will be taken into account (i.e., the cost of coverage does not include the cost of dental or vision coverage). During the COBRA Medical Subsidy Period, the eligible employee will be responsible only for the employee portion of the COBRA medical premium (plus a 2% administration fee) and the Employer will pay the Employer portion. After the expiration of the COBRA Medical Subsidy Period, the eligible employee will be responsible for the full COBRA payment.

Eligible Employee's Length of Service	COBRA Medical Subsidy Period
Up to 1 year	N/A
1 or more years	1 month per full year of service up to a maximum of 6 months

Health Care Flexible Spending Account (FSA) – An eligible employee's contributions to a Health Care FSA will stop as of his/her last paycheck. Eligible Health Care FSA claims can be incurred through the end of the month in which the employee terminates. Under COBRA rules, an eligible employee may choose to continue to participate in the health care FSA after separation. The eligible employee's contributions will be made on an after-tax basis.

Dependent Care Flexible Spending Account (FSA) – An eligible employee's contributions to a Dependent Care FSA will stop as of his/her last paycheck. Eligible Dependent Care FSA claims can be incurred through the date of the employee's termination of employment.

403(b) Retirement Plan – If an eligible employee is participating in the Employer's 403(b) plan, employee and Employer contributions will be reflected through the employee's last regular paycheck. Severance Pay is not eligible compensation under the 403(b) retirement plan.

Tuition Waiver – An employee who is eligible for severance pay under the Plan is eligible to continue participation in the Tuition Waiver benefit as described below. Note that tuition benefits applied after the employee's termination from employment may be taxable to the employee and shall be appropriately reported to taxing authorities by the Employer.

- a. **General Rule.** If, as of an eligible employee's date of termination, the eligible employee (or an eligible dependent) (1) is enrolled as a student at the Employer and (2) is receiving a tuition waiver in accordance with the Employer's tuition waiver policy, the eligible employee (or eligible dependent) may continue to receive tuition benefits in accordance with the Employer's tuition waiver policy until the end of the term in which the date of termination occurs, plus one additional term (the term that begins immediately after the quarter in which the date of termination occurs).
- b. **Termination in Spring Term.** If an eligible employee's date of termination occurs during the spring term and, as of the eligible employee's date of termination, the eligible employee (or an eligible dependent) (1) is enrolled as a student at the Employer and (2) is receiving a tuition waiver in accordance with the Employer's tuition waiver policy, the eligible employee (or eligible dependent) may continue to receive tuition benefits in accordance with the Employer's tuition waiver policy until the end of such spring term, plus one additional term which may be either the summer term or the fall term immediately following such spring term. To receive the tuition waiver, an eligible individual described in this paragraph must notify the Employer of which term (summer or fall) the individual chooses to receive tuition benefits and may not receive tuition benefits in both terms.
- c. **Termination between Spring Term and Fall Term.** If (1) an eligible employee's termination date falls between the last day of the spring term and the first day of the immediately following fall term, (2) the eligible employee (or an eligible dependent) was enrolled as a student at the Employer during such spring term, and (3) the eligible employee (or eligible dependent) received a tuition waiver in accordance with the Employer's tuition waiver policy during such spring term, the eligible employee (or eligible dependent) may receive tuition benefits in

accordance with the Employer's tuition waiver policy for either the summer term or the fall term immediately following such spring term. To receive the tuition waiver, an eligible individual described in this paragraph must notify the Employer of which term (summer or fall) the individual chooses to receive tuition benefits and may not receive tuition benefits in both terms.

- d. Termination between Summer Term and Fall Term. If (1) an eligible employee's termination date falls between the last day of the summer term and the first day of the immediately following fall term, (2) the eligible employee (or an eligible dependent) was enrolled as a student at the Employer during such summer term or during the immediately preceding spring term, and (3) the eligible employee (or eligible dependent) received a tuition waiver in accordance with the Employer's tuition waiver policy during the last term (spring or summer) in which the individual was enrolled as a student, the eligible employee (or eligible dependent) may receive tuition benefits in accordance with the Employer's tuition waiver policy for the fall term immediately following the employee's termination date."

Other Benefits – All other benefits such as life and disability benefits end on the last day of employment. If applicable, conversion or portability options will be available.

Rehire of Former Staff Employees

An employee who is rehired by the Employer and is later separated under the Plan will be entitled to severance based on the date of rehire, not the date of original employment.

Plan Administration

The Employer's Vice President of Human Resources shall serve as the Plan Administrator of the Plan and the named fiduciary within the meaning of such terms as defined in ERISA. The Plan Administrator shall have the sole and exclusive discretionary authority to make final determinations of eligibility for Plan benefits and to construe the terms of the Plan, including the making of factual determinations. The decisions of the Plan Administrator shall be final and conclusive with respect to all questions concerning the administration of the Plan. The Plan Administrator may delegate to other persons responsibilities for performing certain of the duties of the Plan Administrator under the terms of the Plan and may seek such expert advice as the Plan Administrator deems reasonably necessary with respect to the Plan. The Plan Administrator shall be entitled to rely upon the information and advice furnished by such delegates and experts, unless actually knowing such information and advice to be inaccurate or unlawful.

The Plan Administrator shall establish and maintain a reasonable claims procedure, including a procedure for appeal of denied claims. In no event shall an eligible employee or any other person be entitled to challenge a decision of the Plan Administrator in court or in any other administrative proceeding unless and until the claim and appeals procedures established under the Plan have been complied with and exhausted.

In the event of a group termination, as determined in the sole discretion of the Plan Administrator, the Plan Administrator or its designee shall furnish affected eligible employees with such additional information as may be required by law.

Procedure For Making And Appealing Claims For Plan Benefits

It is not necessary that an eligible employee apply for benefits under the Plan. However, if an employee does not receive benefits under the Plan and believes he or she is eligible to receive benefits, he or she may file a claim for benefits. A claim for benefits must be in writing and filed with the Plan Administrator

no later than forty-five (45) days after termination of employment. Within sixty (60) days after receiving a claim, the Plan Administrator will: (i) accept or deny the claim completely or partially; and (ii) notify the claimant of acceptance or denial of the claim. However, if an extension is necessary due to special circumstances, the Plan Administrator will notify the claimant in writing within the 60-day period of the reasons for the extension and the date by which it expects to render a decision.

If Employee's claim is completely or partially denied:

The Plan Administrator will furnish a written notice to the claimant containing:

- a) the specific reason(s) for the denial;
- b) specific reference(s) to the Plan provisions on which any denial is based;
- c) a description of additional material or information, if any, that must be provided by the claimant in order to support the claim; and
- d) an explanation of the Plan's appeal procedures.

Employee may appeal a complete or partial denial of his/her claim:

A claimant may appeal the denial of his/her claim and have the Plan Administrator reconsider the decision. The claimant or the claimant's authorized representative has the right to:

- a) request an appeal by written request to the Plan Administrator not later than sixty (60) days after receipt of notice from the Plan Administrator denying the claim;
- b) review pertinent Plan documents; and
- c) submit issues and comments regarding the claim in writing to the Plan Administrator.

The Plan Administrator will make a decision with respect to such an appeal within thirty (30) days after receiving the written request for such appeal. If an extension is necessary due to special circumstances, the Plan Administrator will notify the claimant in writing within the 30-day period of the reasons for the extension and the date by which it expects to make a decision. The claimant will be advised of the Plan Administrator's decision on the appeal in writing. The notice will include:

- a) the specific reason(s) for the decision;
- b) specific reference(s) to Plan provisions upon which the decision on the appeal is based;
- c) a statement describing the claimant's right to receive, upon request and free of charge, reasonable access to, and copies of, documents, records, and other information relevant to the claim for benefits; and
- d) a statement of the claimant's right to bring an action under Section 502(a) of ERISA.

Amendment/Termination/Vesting

Eligible employees do not have any vested right to severance pay under the Plan and the Employer reserves the right in its sole discretion to amend or terminate the Plan at any time, retroactively or otherwise, either by resolution of its Board of Directors or in a writing by the President of the Employer.

No Assignment

Severance pay payable under the Plan shall not be subject to anticipation, alienation, pledge, sale, transfer, assignment, garnishment, attachment, execution, encumbrance, levy, lien, or charge, and any attempt to cause such severance pay to be so subjected shall not be recognized, except to the extent required by law.

Representations Contrary to the Plan

No employee, officer, or director of the Employer has the authority to alter, vary, or modify the terms of the Plan except by means of an authorized written amendment to the Plan. No verbal or written representations contrary to the terms of the Plan and its written amendments shall be binding upon the Plan, the Plan Administrator, or the Employer.

No Employment Rights

The Plan shall not confer employment rights upon any person. No person shall be entitled, by virtue of the Plan, to remain in the employ of the Employer and nothing in the Plan shall restrict the right of the Employer to terminate the employment of any eligible employee or other person at any time.

Plan Funding

No eligible employee shall acquire by reason of the Plan any right in or title to any assets, funds, or property of the Employer. Any severance pay benefits which become payable under the Plan are unfunded obligations of the Employer and shall be paid from the general assets of the Employer. No employee, officer, director or agent of the Employer guarantees in any manner the payment of Plan severance pay.

Applicable Law

The Plan shall be governed and construed in accordance with ERISA and in the event that any reference shall be made to State law, the substantive laws of the State of Illinois shall apply.

Severability

If any provision of the Plan is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or other controlling law, the remainder of the Plan shall continue in full force and effect.

Plan Year

The ERISA plan year of the Plan shall be the twelve month period commencing on January 1 of each year.

An Employee's Rights Under ERISA

Plan participants are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants are entitled to:

Receive Information About the Plan and Benefits – Participants may examine, without charge, at the Plan Administrator's office all documents governing the Plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available in the Public Disclosure Room of the Employee Benefits Security Administration. Participants are also entitled to obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries – In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries.

Enforce Plan Participants' Rights – If a participant's claim is denied or ignored, in whole or in part, the participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps participants can take to enforce the above rights. For instance, if the participant requests a copy of the Plan document or latest annual report and does not receive them within 30 days, the participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If a participant has a claim for benefits which is denied or ignored, in whole or in part, the participant may file suit in a state or federal court.

If it should happen that the Plan fiduciaries misuse the Plan's money, or if the participant is discriminated against for asserting his/her rights, the participant may seek assistance from the U.S. Department of Labor, or file suit in a federal court. The court will decide who should pay court costs and legal fees.

Assistance With Participant's Questions – The participant should contact the Plan Administrator with any question about the Plan. If the participant has any questions about this statement, ERISA rights, or needs assistance in obtaining documents from the Plan Administrator, the participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory. The Participant can also write to:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

The Participant may also obtain certain publications about participant's rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

General Information

- a) Name of Plan: DePaul University Severance Pay Plan for Staff Employees
- b) Plan Number: 540
- c) Plan Sponsor: DePaul University
Office of Human Resources
Mailing Address: 1 East Jackson Blvd, Chicago, IL 60604
Office Location: 14 East Jackson Blvd, Chicago, IL 60604
- d) Employer Identification Number (EIN): 36-2167048
- e) Plan Year End Date: December 31st
- f) Type of Administration: Sponsor administration
- g) Plan Administrator: DePaul University (or its delegate)
Office of Human Resources
1 East Jackson Boulevard
Chicago, IL 60604-2287
312-362-8232
- h) Agent for Service of Legal Process: Vice President and General Counsel
DePaul University
1 East Jackson Boulevard
Chicago, IL 60604-2287
Legal process also may be made upon the Plan Administrator, c/o the Office of the General Counsel.

IN WITNESS WHEREOF, the Employer has caused this duly adopted Plan to be executed below by its duly authorized representative this 10th day of May 2023. -----.

DEPAUL UNIVERSITY

By: 
Its: President