
PROJECT: GOLDEN RUNWAY (OPEN SOURCE REVIEW)

Document: Frequently Asked Questions (FAQ) | **Target Audience:** Employees, Managers, HR & Finance Leadership

Current Status: DRAFT v1.0 | **Host:** The Aura Impact

Welcome to the "Translation Layer."

While the SPD is the contract and the Implementation Guide is the engine, this FAQ is the *conversation*. It is designed to be the first document an anxious employee reads when facing uncertainty.

We need your help to ensure this document is clear, compassionate, and complete.

We are "Open Sourcing" this document because we believe the best standards are built collectively. Whether you are an HR leader, a business owner, a legal expert, CFO, Risk Manager, Benefit Broker, or an employee, your perspective is critical.

HOW TO SUBMIT FEEDBACK

We invite you to review this draft and share your thoughts using the following methods:

1. **Reference the Section:** See a loophole or a confusing clause? Please reference the **Question or Section Number** so we know exactly where to look.
2. **Comment Publicly:** Drop your feedback in the **Comments** on this post. Public discussion helps everyone learn.
3. **Private Feedback:** If you prefer privacy, you can DM **@TheAuraImpact** on LinkedIn or Instagram, or email **theauraimpact@gmail.com**.

AREAS OF FOCUS (WHAT TO LOOK FOR)

We need you to read this from the perspective of someone who just received difficult news.

- **Identify the Gaps:** What is the *first* question you would ask that isn't on this list?
- **Check the Clarity:** Are any answers too "corporate" or full of legal jargon? Highlight them so we can simplify the language.
- **Tone Check:** Does the voice sound supportive and dignified, or does it sound cold?

Help us give the right answers when people need them most.

⚠️ DISCLAIMER: *This is a conceptual draft for discussion purposes only. The answers provided here are based on the current draft of the Golden Runway plan and are subject to change as the policy evolves.*

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FAQ: THE GOLDEN RUNWAY BENEFIT PLAN

Document Number: 502 **Companion Document:** Summary Plan Description (SPD) #501
Audience: Employees, Managers, HR & Finance Leadership

PART I: GENERAL EMPLOYEE & MANAGER FAQs

SECTION 1: FINANCIAL SECURITY & THE TRUST

Q: What happens to the money in the VEBA Trust if no one is fired? **A:** This is a common question. Because the plan is funded via a tax-exempt VEBA Trust, the money is legally "locked" for the benefit of employees. The Company cannot simply take it back for profit. If the fund grows too large because retention is high (a "Surplus" scenario), one of three things happens:

1. **Contribution Holiday:** The Company stops paying the monthly 2% premium until the surplus levels out. This rewards the Company for good retention.
2. **Benefit Pivot:** The Company can legally use the surplus to pay for Employee Health Insurance premiums, saving operating cash without raiding the Trust.
3. **Distribution:** If the Plan is ever terminated, the remaining assets must be distributed to the current participants (you), not returned to the Company.

Q: Is the money safe if the Company goes bankrupt? **A:** Yes. This is the primary reason we use a VEBA Trust instead of a standard bank account. Assets in the Trust are protected from creditors by federal law. Even if the Company dissolves, the funds in the Trust remain available to pay your Golden Runway benefits.

Q: How can the Company afford to pay 2 years of salary for multiple people? A: We use a "Pooled Risk" model backed by Stop-Loss Reinsurance.

- The Company contributes a small percentage of payroll (approx. 2%) monthly.
- If a large number of employees are laid off at once (e.g., a recession), a third-party Insurance Carrier pays the difference. This ensures your benefit is guaranteed regardless of the Company's cash flow.

SECTION 2: ELIGIBILITY & COVERAGE

Q: When does my coverage begin? Do I have to work here for a year first? A: Coverage begins on Day 1 of your employment. We call this our "Recruiting Warranty." If we hired you, we committed to you. There is no vesting period.

Q: I am a Contractor/Consultant. Am I eligible? A: No. The Golden Runway is exclusive to Full-Time Employees (FTEs). We use contractors for temporary or project-based work where long-term commitment is not expected. If you are an FTE, we intend for you to stay, and we back that intention with this protection.

Q: What if I find a new job after 3 months? Do I get the full 2 years of pay? A: No. The Golden Runway is a "bridge," not a lottery ticket. Payments stop the moment you secure new full-time employment. The goal is to keep you financially whole while you look, not to double your income.

SECTION 3: TERMINATION & "CAUSE"

Q: I was fired for "Performance" (missing quotas). Do I get the benefit? A: Yes. We recognize that sometimes a role just isn't the right fit, or skills don't match the market needs. "Performance" termination is a covered event. You will receive the full benefit and career coaching to help you find a role that fits better.

Q: What disqualifies me from receiving the benefit? A: You will only be denied benefits for **Gross Misconduct**. This is strictly limited to serious offenses: theft, fraud, violence, harassment, felony conviction, or malicious breach of trade secrets.

Q: Who decides if it was "Gross Misconduct"? My Manager? A: No. Your Manager cannot deny your benefit. Only the Independent Ethics Committee can make that determination.

SECTION 4: THE INDEPENDENT ETHICS COMMITTEE

Q: How do I know the Ethics Committee isn't biased toward the Company? A: We have built a "Zero-Trust" governance structure to ensure impartiality:

- **Majority Outsiders:** The Committee is 2/3rds external (an Ethics Arbiter and a Public Advocate). The Company cannot "outvote" them.

- **Blind Review:** They review your case without seeing your name, photo, or job title. They look only at the facts.
- **Financial Independence:** The Committee members are paid from a secure Escrow Account. The Company cannot withhold their pay if they rule in your favor.

Q: Who is the "Internal Peer" on the Committee? A: The internal seat is filled by Sortition (Random Lottery) for each case. It could be anyone from any department. This prevents "company politics" from influencing the decision.

SECTION 5: LOGISTICS & TAXES

Q: How is the payment taxed? A: Because this is structured as a Supplemental Unemployment Benefit (SUB), payments are generally exempt from FICA (Social Security and Medicare) taxes for both you and the Company. However, they are still subject to regular Income Tax. Please consult a tax professional for your specific situation.

Q: What do I have to do to keep receiving the monthly check? A: You must submit a simple digital attestation once a month stating: *"I am actively looking for work and have not yet accepted a full-time position."*

Q: Does receiving this benefit stop me from collecting State Unemployment Insurance? A: In most states, yes. Because the Golden Runway fully replaces your salary, you likely will not qualify for state unemployment checks simultaneously. However, the Golden Runway pays 100% of your salary, whereas state unemployment typically pays a small fraction, so you are significantly better off under this Plan.

PART II: FINANCE, HR & LEADERSHIP FAQs

SECTION 6: ACTUARIAL, STRATEGY & RISK MANAGEMENT

Q: Why does the "Contribution Holiday" trigger start at 125% funding instead of 100%?

A: The 125% threshold is an actuarial safety buffer designed to prevent Plan insolvency and administrative volatility.

- **The "Bad Day" Correlation:** Layoffs (high claims) often occur during economic downturns (low asset performance). If the Plan were funded at exactly 100%, a market dip coinciding with a layoff event would immediately bankrupt the Trust. The extra 25% acts as a shock absorber.
- **Avoiding "Yo-Yo" Contributions:** A 100% trigger would cause the Company to toggle between paying and not paying premiums every month as the balance fluctuates slightly. The 125% target forces a robust surplus, allowing for a stable, long-term "holiday" period rather than monthly uncertainty.

Q: Does this plan encourage "Quiet Quitting" or employees trying to get fired? A: Data suggests otherwise. The Plan includes safeguards to align incentives:

- **Gross Misconduct:** Intentional sabotage or refusal to work can be classified as misconduct, which disqualifies the employee from the benefit.
- **Career Progression:** Most high-performers want resume continuity and growth, not a gap year.
- **Culture:** By removing the existential fear of ruin, employees are actually more likely to take calculated risks and innovate, rather than "hiding" to protect their jobs.

Q: How does this impact the Company's Balance Sheet and EBITDA? A: The Golden Runway transforms unpredictable severance liabilities into a predictable, smooth operating expense.

- **Predictability:** Instead of taking a massive restructuring charge in a single quarter (which hurts stock price and EBITDA perception), the cost is amortized monthly via the premium contribution.
- **Off-Balance Sheet:** Assets held in the VEBA Trust are generally not consolidated on the Company's balance sheet, keeping liability ratios cleaner.

Q: Can the Company ever get the principal capital back from the Trust? A: Reverting assets from a VEBA Trust to the employer is difficult and subject to heavy excise taxes (often 100%). Therefore, the strategy is not to withdraw cash, but to *utilize the surplus*. If the Trust is overfunded, the assets can be used to pay for active employee welfare benefits (like Medical/Dental premiums), effectively freeing up the Company's operating cash flow dollar-for-dollar.

Q: Is the 2% payroll contribution tax-deductible? A: Generally, yes. Contributions to a VEBA Trust are deductible as a business expense under IRS Section 419, provided they are within actuarially determined limits. Additionally, investment income generated within the Trust is typically tax-exempt, allowing the assets to compound more efficiently than if held in a corporate reserve account.

Q: Why use an Independent Ethics Committee? Why can't HR handle appeals? A: To eliminate legal risk and brand damage. When HR handles termination disputes, the company is often sued for wrongful termination or discrimination. By delegating the final decision to an external, binding Ethics Committee, the Company largely inoculates itself against litigation. The process provides "Procedural Justice," making it difficult for a former employee to claim they were treated unfairly in court.

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