



STAFF EMPLOYMENT MANUAL

Title: 5.0 Benefits

Chapter: 5.18 Severance Pay

Issuance Status and Effective Date: March 2013

1. General

This policy provides regular full-time staff with one week of current base salary for each completed year of continuous service at the time of separation, to a maximum of 26 weeks of severance pay.

- a. The University reserves the right to pay severance under this policy as either a lump sum or as salary continuation. If paid as salary continuation, the payments will continue on a bi-weekly basis unless the terminated employee is re-employed at the University. If paid as a lump sum, and if rehired at the University prior to the expiration of the period covered by the lump sum payment, the employee will be required to reimburse the University the pro-rated amount of severance.
- b. If a staff member who is laid off has received severance pay after one or more prior layoffs, his/her eligibility for severance pay will be decreased by the amount of severance pay he/she received at the time of the prior layoffs.
- c. The University reserves the right to change the Severance Pay Policy as it deems necessary.

2. Eligibility

- a. This benefit applies only to regular full-time staff whose position is being eliminated or who are being laid off.
- b. This benefit does not apply in the case of voluntary termination, resignation, discharge for cause, retirement, medical disability or death.
- c. Eligibility for severance will be forfeited if an employee voluntarily resigns prior to the established date of job elimination.

3. Benefits Information

- a. All group medical and/or dental insurance will be terminated on the last day of the month in which active employment ends. (See also **5.01-2, Continuation of Coverage upon Termination.**) Eligibility to continue group medical and/or dental insurance is determined by federal law. All offers for continuation of coverage will be made by HRD.
- b. Severance pay benefits do not include employee and/or University contributions to the 403(b) Defined Contribution and Tax-deferred Annuity Retirement Plan (TIAA-CREF).
- c. All group term life insurance coverage terminates when active employment status ceases. Eligibility to convert or port the University group term life insurance plan(s) may be available. Refer to the appropriate plan document or HRD for further details.

- d. Laid off employees and their eligible dependents will be allowed, under **5.12, Tuition Remission and Other Educational Benefits/Opportunities**, to complete courses in which they are currently participating.
- e. Laid off employees will be paid for unused vacation in accordance with **5.02, Vacation**. Any allotted vacation will be paid out in full upon separation of employment. This does not lengthen the severance window.
- f. All voluntary deductions will be terminated effective the last paycheck prior to the onset of severance pay.

4. Unemployment Compensation

Generally, a terminated staff member who is eligible for benefits under this policy will also be eligible for unemployment compensation after the period of severance pay is completed. (See also **6.10, Termination of Employment**.)