



Administrative Policy and Procedures Manual

Title: Severance Benefits for Professionals and Professional Faculty	Number:
Effective Date: January 1, 2009	Responsible Office: Provost
Revision Date: Revised November 20, 2009	Page:

I. SCOPE

This policy applies to full-time Professionals and Professional Faculty of the College of William and Mary and the Virginia Institute of Marine Science (hereafter the "College").

II. PURPOSE

The purpose of this policy is to describe the conditions and terms of severance benefits available for professionals and professional faculty (together hereafter referred to as "professionals").

III. POLICY STATEMENT

It is the policy of the College to provide severance benefits to professionals who are involuntarily separated from the College. These benefits include severance pay and continuation of health and life insurance coverage. Certain professionals may be eligible to elect to enhance their retirement benefits instead of receiving these severance benefits.

IV. DEFINITIONS

Involuntary Separation: Involuntary termination. Removal for cause, including for unsatisfactory performance, is not involuntary separation. See "Appointments and Termination."

Length of Service: The period of continuous service in a salaried, full-time regular appointment at the College, dating from the date of last employment or re-employment until the effective date of separation from the College.

Regular Appointment: A continuing appointment made by the Provost.

Restricted Appointment: A position

- funded through sponsored contracts or grants, or
- with a specified ending or termination date, regardless of the funding source.

Severance Benefit Period: The number of weeks of severance benefits for which a professional is eligible, determined as described under Section V(B)(1) below.

VRS: The Commonwealth of Virginia Retirement System.

V. SEVERANCE BENEFITS

Eligible professionals shall receive severance benefits in the form of severance pay and health and life insurance benefits, as set forth below. Eligible professionals may elect to enhance their retirement benefits instead of receiving these severance benefits, as discussed under B(3), below. Professionals terminated for cause, including dismissals for unsatisfactory performance, are not considered to have been subject to involuntary separation and so are not eligible for severance benefits under this policy.

A. Eligibility

Full-time professionals hired on *regular appointments* who are subject to Involuntary Separation from the College shall be eligible for severance benefits.

Professionals hired on *restricted appointments* funded from sponsored contracts or grants, or term appointments with a specified ending date, regardless of funding source, are NOT eligible for severance benefits unless otherwise provided for in their contract. Part-time professionals are not eligible for severance benefits.

B. Severance Benefits

Professionals will receive formal written notice of involuntary separation indicating the severance benefits for which the professional is eligible. In the case of termination (such as abolishment of position) the notice will indicate the effective date of separation. See "Appointments and Termination" for further information about termination, including notice requirements.

1. Severance Pay

The number of weeks of severance pay for which a professional is eligible is based on length of service, as set forth in the applicable attached schedule (Attachment A or B, depending on the effective date of separation). Severance pay is paid subsequent to the professional's separation from the College on a bi-monthly basis, except as described under (C) below, and is equivalent in amount to the professional's weekly salary as of the effective date of the separation. All severance payments shall be subject to applicable federal and state tax.

Any employee who receives severance benefits may be eligible to receive unemployment compensation. The Office of Human Resources can provide information on the interaction between severance payments and unemployment benefits.

2. Insurance

(A) *Health Insurance.* Eligible professionals will continue to be covered under the Health Insurance Plan and the College will continue to pay its share of the premiums during the severance benefit period. Professionals will continue to be responsible for any employee-paid portion of the health care premium. Professionals who wish to make allowable changes to coverage must do so within 31 days of the effective date of separation. The College's Health Benefits Administrator can assist in making any such changes.

(B) *Group Life Insurance.* Professionals receiving severance benefits will be covered under the group life insurance plan administered by VRS during the severance benefit period.

3. Enhanced Retirement Program

(A) To participate in the Enhanced Retirement Program, an eligible professional must be, as of the effective date of separation:

- a vested member of VRS and
- at least fifty years old.

(B) Under the Enhanced Retirement Program, the value of severance benefits is used to purchase years to be credited to either the professional's age or creditable service, or a combination of age and creditable service, in accordance with the formulas established by the VRS pursuant to the Memorandum of Understanding between VRS and the College, dated as of August 30, 2006.

(C) The enhanced retirement program cannot apply to a deferred retirement; therefore, a professional who chooses this option must retire at the beginning of the month following the effective date of separation.

(D) A professional who has chosen the enhanced retirement program can return to employment with the Commonwealth. Enhanced retirement benefits **cease** when the professional enters a retirement-eligible position. The enhanced retirement benefit will not apply to future retirements.

C. Early Termination of Severance Benefits

Severance benefits will cease if and as of the effective date that the professional is employed in any capacity (salaried or hourly/wage) by the College or another agency of the Commonwealth, including through a contractual agreement as an independent contractor or consultant. In the case of a professional receiving severance pay, if such an employment or consultant relationship then ends before the end of the severance benefit period, he or she may receive the remaining severance payments. However, any missed payments will not be made up. Other severance benefits – insurance and retirement – will not be reinstated or repaid in any manner.

VI. **AUTHORITY AND INTERPRETATION**

This policy is approved by the Board of Visitors under the authority provided in the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10, Title 23 of the *Code of Virginia* and the Management Agreement effective July 1, 2006.

Interpretation of this policy is the responsibility of the Office of the Provost. The College of William and Mary reserves the right to revise or eliminate this policy at any time.

Covered Employees: Professionals and Professional Faculty	Effective Date: January 1, 2009
	Responsible Office: Provost

Attachment A

Schedule of Severance *

<u>Length of Service (in years)</u>	<u>Weeks of Severance</u>
1 or less	8
2†	12
3	16
4	20
5	24
6	28
7	30
8	32
9	34
10	36
11	40
12	42
13	44
14	46
15	48
Greater than 15	52

* This is a transitional schedule that will be in effect until July 1, 2012; it applies to professionals for whom the effective date of separation is before July 1, 2012.

† Partial years are rounded up; for example, a professional with 18 months of service as of an effective date of separation would have a length of service of two years.

Attachment B

Schedule of Severance *

<u>Length of Service (in years)</u>	<u>Weeks of Severance</u>
1 or less	6
2†	10
3	14
4	16
5	18
6	20
7	22
8	24
9	26
10	28
11	32
12	36
13	40
14	44
15	46
Greater than 15	52

* This schedule is effective from July 1, 2012; it applies to professionals for whom the effective date of separation is on or after July 1, 2012.

† Partial years are rounded up; for example, a professional with 18 months of service as of an effective date of separation would have a length of service of two years.