

<b>Title: Severance Benefits for Operational Employees</b>	
<b>Effective Date: January 10, 2009</b>	<b>Responsible Office: Human Resources</b>
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## I. SCOPE

This policy applies to eligible Operational Employees of the College of William and Mary and the Virginia Institute of Marine Science (the "College"). Classified employees are not subject to this policy and remain covered by the Virginia Personnel Act and the Workforce Transition Act.

## II. PURPOSE

The purpose of this policy is to provide severance benefits for eligible Operational Employees, in accordance with the terms of §23-38.120 of the Restructured Higher Education Financial and Administrative Operations Act (the Act, Chapter 4.10 of Title 23 of the Code of Virginia) and the Management Agreement between the Commonwealth of Virginia and the College .

## III. POLICY STATEMENT

In the event that eligible Operational Employees are involuntarily separated due to budget reductions, reorganization, work force downsizing, or other reasons unrelated to performance or conduct, it is the policy of the College to provide severance benefits. The College's Department of Human Resources shall administer this policy by advising departments and employees, determining employees' eligibility for severance benefits, calculating costs, and establishing severance payments and continuity of other benefits.

## IV. DEFINITIONS

- A. **Length of Service:** The period of continuous salaried service with the Commonwealth of Virginia or the College, dating from the date of last employment or re-employment. For purposes of this policy, partial years of service will be rounded to the next higher year.
- B. **Involuntary Separation:** Permanent, involuntary termination of College employment for reasons such as budget reduction, agency reorganization, work force downsizing, or other reasons not related to performance or conduct. Voluntary resignations for any reason and discharge (termination for cause) are not considered "Involuntary separation" for purposes of this policy.
- C. **Severance Benefits:** Benefits provided to lessen the impact of involuntary separation by providing some cash payments and continuing key benefits for a period of time. Severance benefits include:
  - severance payments,
  - continued College contribution toward health insurance premiums, and
  - continued College contribution of life insurance premiums, OR
  - enhanced retirement option for eligible operational employees in lieu of receiving other severance benefits.

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**V. SEVERANCE BENEFITS**

**A. Employees Eligible for Severance Benefits:**

- Full-time salaried Operational Employees who are involuntarily separated are eligible for severance benefits.
- Part-time salaried operational employees who are eligible to receive layoff benefits under the College's Layoff Policy for Operational Employees are eligible to receive certain severance benefits; however, part-time employees are NOT eligible for the enhanced retirement benefit under this policy.

**B. Employees Ineligible for Severance Benefits:**

- Employees placed in a separated-layoff status are not eligible to receive severance benefits.
- Operational Employees 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.
- Voluntary resignations for any reason are not considered involuntary separations for purposes of this policy; therefore, employees who voluntarily resign from their positions are *not eligible* to receive severance benefits.
- Employees who terminated for cause or otherwise for reasons related to conduct or performance are not eligible to receive severance benefits.

**C. Benefit Payments:**

1. Severance payments are salary payments based on the employee's weekly salary as of the effective date of the involuntary separation that are paid subsequent to the employee's separation from the College. Severance payments continue for a specific period of time, which is determined by the employee's length of service, as described above. (See Severance Payment Chart at Attachment A.)
2. Severance payments are made in the same manner as normal salary for the period of time for which the employee is eligible to receive severance benefits, except as described below. All severance payments are subject to applicable federal and state tax laws.
3. 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.

**D. Continuation of Insurance:**

1. *Health Insurance.* Employees receiving severance benefits will continue to be covered under the State's Health Insurance Plan and the College will continue to pay its share of the premiums for the twelve month period commencing with the involuntary separation date.
  - a. Employees will continue to be responsible for any employee-paid portion of the health care premium.
  - b. Employees who wish to make allowable changes to coverage should contact the College's Health Benefits Administrator within 31 days of involuntary separation.

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2. *Group Life Insurance.* Employees receiving severance benefits will be covered under the group life insurance plan administered by Virginia Retirement System (VRS) for a twelve month period beginning with the involuntary separation date.

**NOTE:** Employees who are enrolled in other payroll deduction programs should contact the College Payroll Office to coordinate the payment of obligations that normally would be deducted from their paychecks.

**E. Early Termination of Severance Benefits:**

1. Severance benefits will end before the payment schedule is completed, and before the 12-month period of insurance continuation, if and as of the date that the employee who is on leave without pay-layoff receiving the benefits:
  - is placed in separated-layoff status (see “Implementing Layoff for Operational Employees”); or
  - resigns before the 12-month period ends.
2. Severance benefits also cease before the end of the scheduled period if and as of the effective date that the employee:
  - is employed in any capacity (salaried or hourly/wage) by the College or any agency or institution of the Commonwealth of Virginia, or
  - is engaged through a contractual agreement as an independent contractor or consultant by the College or any agency or institution of the Commonwealth of Virginia.

**F. Reinstatement of Severance Benefits:**

1. If the employment relationship (described above in E.2.) ends before severance payments would have ended, the employee may receive the remaining severance payments.
2. Any payments that were missed due to the employment relationship (described above in E.2.) will not be made up.

**VI. ENHANCED RETIREMENT PROGRAM**

**A. Eligibility:** The Enhanced Retirement Program enables certain eligible operational employees who are involuntarily separated to select an enhanced retirement in lieu of other severance benefits.

1. To participate in the Enhanced Retirement Program, an eligible operational employee, as of the date of involuntary separation:
  - a vested member of VRS and
  - at least fifty years old.
2. Under the Enhanced Retirement Program, the value of severance payments is used to purchase years to be credited to either the employee’s age or creditable service, or a combination of age and creditable service, in accordance with the formulas established by the VRS under the WTA, and the Memorandum of Understanding between the Virginia Retirement System and the College, dated as of August 30, 2006.
3. Part-time operational employees are not eligible for the enhanced retirement program.

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4. The enhanced retirement program cannot apply to a deferred retirement; therefore, an employee who chooses this option must retire at the beginning of the month following the effective date of involuntary separation.

#### **B. Returning from Enhanced Retirement**

1. An employee who has chosen the enhanced retirement program can return to employment with the Commonwealth.
2. Enhanced retirement benefits **cease** when the employee enters a retirement-eligible position.
3. The enhanced retirement benefit will not apply to future retirements.

### **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 Human Resources. The College reserves the right to revise or eliminate this policy at any time.

### **VII. RELATED POLICIES**

Implementing Layoff of Operational Employees  
[State Policy 1.70 \(Termination/Separation From State Service\)](#)

## Severance Payment Chart

Operational Employees	
Length of Service	Weeks of Severance
1	4
2	4
3	5
4	6
5	7
6	8
7	9
8	10
9	11
10	14
11	16
12	18
13	20
14	22
15	30
16	32
17	34
18	36
19	38
20	40
21	42
22	44
23	46
24	48
25 or more	52