SECTION .2700 - SEVERANCE SALARY CONTINUATION

25 NCAC 01D .2701 SEVERANCE SALARY CONTINUATION POLICY

In accordance with G.S. 126-8.5, severance salary continuation shall be paid to eligible employees as defined in 25 NCAC 01D .2702 in accordance with the rules in this Section. Severance pay shall be subject to available funding and approval by the Office of State Budget and Management.

History Note: Authority G.S. 126-4(10); 126-8.5;

Eff. October 1, 1985;

Amended Eff. October 1, 1995; September 1, 1991; November 1, 1990; November 1, 1988;

Recodified from 25 NCAC 01D .0509 Eff. December 29, 2003;

Amended Eff. February 1, 2016; March 1, 2009.

Readopted Eff. April 1, 2017.

25 NCAC 01D .2702 SEVERANCE SALARY CONTINUATION ELIGIBILITY

(a) The following type of employee who has been reduced in force and who does not obtain employment in another position in State government or any other position that is funded in whole or in part by the State by the effective date of the separation shall be eligible for severance salary continuation:

(1) full-time and part-time (half-time or more) permanent employees;

(2) employees in trainee classifications with 12 or more months of continuous State service;

(3) time-limited employees with 36 or more months of continuous State service; and

(4) employees in exempt policymaking or exempt managerial positions as defined in G.S. 126-5(b) are eligible for severance salary continuation if the position is abolished as result of a reduction in force.

(b) Time-limited employees with less than 36 continuous months of service, probationary, and temporary employees shall not be eligible for severance salary continuation.

(c) An employee who is separated or who has received written notification of separation due to reduction in force, and who applies for or begins receiving retirement benefits based on early retirement, service retirement, long term disability, or a discontinued service retirement as provided by G.S. 126-8.5, shall not be eligible for severance salary continuation. An employee who is eligible for early or service retirement may elect to delay retirement and receive severance salary continuation.

(d) An employee who is reemployed from any retired status with the State and who is subsequently terminated as a result of reduction in force shall be eligible for severance salary continuation if the employee meets the eligibility requirements set forth in Paragraph (a) of this Rule.

(e) An employee who is receiving workers' compensation or short-term disability payments is eligible for severance salary continuation if the employee meets the eligibility requirements set forth in Paragraph (a) of the Rule.

(f) An employee on leave with or without pay shall be separated on the effective date of the reduction in force and shall be eligible to receive severance salary continuation if the employee meets the eligibility requirements set forth in Paragraph (a) of this Rule.

History Note: Authority G.S. 126-4(10); 126-8.5;

Eff. February 1, 2016;

Amended Eff. April 1, 2017.

25 NCAC 01D .2703 Effects of reemployment on Severance Pay

(a) An employee who is reemployed in any position with the State, or any other position that is funded in whole or in part by the State, while receiving severance salary continuation, shall not be eligible for severance salary continuation effective the date of reemployment.

(b) An eligible employee who is offered employment in any position with the State and declines to accept the employment offer, either prior to or following separation, shall not be eligible for severance salary continuation effective on the date that the offer is declined.

(c) The agency offering employment or reemployment is responsible for determining if an employee is receiving severance salary continuation payments and shall notify the separating agency of the date severance salary continuation shall be terminated.

History Note: Authority G.S. 126-4(10); 126-8.5;

Eff. February 1, 2016.

25 NCAC 01D .2704 Amount and method of payments for severance

(a) In accordance with G.S. 126-8.5, severance salary continuation shall be based on total State service as defined in Rule .0112 of this Subchapter and supplemented by an age adjustment factor as follows:

(1) Amount of Severance Salary Continuation:

Years of Service Payment

Less than 1 year 2 weeks

1 but less than 2 years 1 month

2 but less than 5 years 1 month

5 but less than 10 years 2 months

10 but less than 20 years 3 months

20 or more years 4 months

(2) An employee qualifies for the age adjustment factor at 40 years of age. To compute the amount of the adjustment, 2.5 percent of the annual base salary shall be added for each full year over 39 years of age. However, the total age adjustment factor payment shall be limited by the service payment and cannot exceed the total service payment.

(b) Severance salary continuation shall be paid on a pay period basis.

(c) Any period covered by severance salary continuation shall not be credited as a period of State service.

(d) If an employee dies while receiving severance salary continuation, the balance of the severance salary continuation shall be made to the deceased employee's death benefit beneficiary as designated with the Teachers' and State Employees' Retirement System in a lump sum payment.

History Note: Authority G.S. 126-4(10); 126-8.5;

Eff. February 1, 2016.