

1 25 NCAC 01D.2704 is proposed for adoption as follows:

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3 **25 NCAC 01D .2704 AMOUNT AND METHOD OF PAYMENTS FOR SEVERANCE**

4 (a) The salary used to determine severance salary continuation is the last annual salary in effect upon separation
5 unless the employee was promoted within the previous 12 months. If the employee was promoted within the last 12
6 months, the salary used to calculate severance salary continuation is the annual salary prior to the promotion plus
7 any across-the-board legislative salary increases.

8 (b) Severance salary continuation shall be based on total State service as defined in 25 NCAC 01D .0114 and
9 supplemented by an age adjustment factor as follows:

10 (1) Amount of Severance Salary Continuation:

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<u>Years of Service</u>	<u>Payment</u>
<u>Less than 1 year</u>	<u>2 weeks</u>
<u>1 but less than 2 years</u>	<u>1 month</u>
<u>2 but less than 5 years</u>	<u>1 month</u>
<u>5 but less than 10 years</u>	<u>2 months</u>
<u>10 but less than 20 years</u>	<u>3 months</u>
<u>20 or more years</u>	<u>4 months</u>

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

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

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

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

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

31 *Eff. February 1, 2016*