

## SEVERANCE SALARY CONTINUATION SUMMARY OF REVISIONS

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- 7-1-79 Policy on severance pay – closing of a State institution adopted within policies on separations. Received two weeks pay. (Chapter 143)
- 10-1-85 New Policy
- 12-1-85 Age adjustment factor revised to limit payment not to exceed 21 years of service.
- 5-1-87 Added provision that a permanent employee scheduled for reduction in force may accept a temporary State position and remain eligible to receive severance salary continuation. Also, a reduction in force employee may decline a lower level position and retain eligibility for severance salary continuation. Age adjustment factor clarified - 39 years of age instead of 40 (Adm. Rules Comm. voiced a technical objection; therefore, effective date was delayed from 2-1-87 to 5-1-87.)
- 11-1-90 Leave without pay option deleted.
- 3-1-91 Extend eligibility for priority reemployment and severance salary continuation to employees who have completed six months or more of a trainee appointment. Also, to employees who attained permanent status prior to entering a trainee appointment.
- Clarifies that eligibility criteria include no foreseeable opportunity for reemployment at the time of separation.
- 9-1-91 Deleted reference to Statute 143-27.2 to satisfy ARRC.
- 10-1-95 Added reference to G.S. 143-27.2 that provides that the Director of the Budget is responsible for determining that a severance salary continuation or a discontinued service retirement allowance, accomplishes economies in the State Budget.
- Clarified appointment type eligibility and non-eligibility.
- Added that an employee receiving worker's compensation or short-term disability payments is eligible for severance salary continuation.

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10-1-95  
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Added that an employee on leave with pay or leave without pay shall be separated on the effective date of the reduction in force, the same as other employees and shall be eligible to receive severance salary continuation on that date.

Added that an employee with a permanent position, separated by reduction in force may accept a State contractual service arrangement and remain eligible to receive severance salary continuation.

Clarified that an employee who is reemployed in any permanent position that is funded in part or in whole by the State, while receiving severance salary continuation will no longer be eligible for such pay effective the date of reemployment.

Clarified that an employee who is separated and receiving retirement benefits from early retirement, service retirement, long term disability or discontinued service retirement as provided by G.S. 143-27.2 is not eligible for severance salary continuation.

Deleted the provision that an employee who has received a full severance salary continuation, who is reemployed later and reduced in force again, would only receive the difference between previous payments and the current eligibility.

Deleted the provision that an employee 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 without credit for total State service prior to retirement status. Since this could be discriminatory, the provision is deleted and the employee will be eligible for severance based on total State service.

07-01-98

G.S.143-27.2 was amended to:

- 1) Add provision that any employee separated and paid severance wages shall not be employed under a contractual arrangement by any State agency, other than the university system and community college system, until 12 months have elapsed since the separation.
- 2) Provide that severance wages will be calculated on the last annual salary unless the employee was promoted within the previous 12 months. If promoted, the calculation is on the salary prior to the promotion plus any across-the-board legislative salary increases.

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- 7-01-98  
cont'd In addition, the provision for Discontinued Service Retirement Allowance has been added for informational purposes.
- 7-1-08 Corrects statute citation as a result of the move of the severance provision from G.S. 143 to 126.
- 3-1-09 Revised to conform to rules that were approved clarifying some of the severance eligibility provisions.
- 10-1-14
- Removed of the term “permanent” when referencing “time-limited” positions.
  - Changed trainee eligibility period from 6 months to 24 months to align with the legal definition of probationary period.
  - Clarified that a trainee who had a permanent appointment prior to the trainee appointment cannot have a break in service in order to continue permanent status as a trainee.
  - Clarified in the “reemployment” section that reemployment in a time-limited position is an event that makes an employee ineligible for continued severance pay. Also reemployment in a temporary position makes an employee ineligible for continued severance pay.
  - Amended the “effects of declining employment offers” section to align with the Reduction in Force policy and law.
  - The “documentation” section is being updated to match the current documentation and approval process.
- 6-1-15
- A statement was added to the “policy” section to clarify that severance pay is subject to available funding and must be approved by the Office of State Budget and Management.
  - In the “covered employees” section, removed reference to permanent or time-limited position when referring to available employment. G.S. 126- 8.5(a) does not specific the type of position available for reemployment so the policy needs to reflect any available position for reemployment. This now matches the provisions outlined in the “reemployment” section.
  - Corrected the “effect of declining employment offers” section to comply with provisions of G.S. 126-8.5(a). G.S. 126-8.5 states that severance is only paid to an employee when reemployment is not available and in the “reemployment” section of the policy it is stated that reemployment in any position (permanent, part-time, temporary) stops severance eligibility. As a result, an employee cannot decline an offer for any position regardless of the salary grade and salary rate and still be eligible for severance. Also added a requirement for the agency or university offering reemployment to notify the separating agency of the declined offer so severance is terminated.
  - Removed information about RIF priority reemployment rights from the policy since there is a separate policy that covers priority reemployment rights. Duplication of the RIF priority policy is not necessary.
  - Added clarification to the “amount of severance” chart to reflect that the only covered employees eligible for severance with less than 24 months of service are employees in “exempt policymaking” and “exempt managerial” positions.

9-7-17 Policy revised to delete all reference to trainee appointments, per appointment types and career status.