



**SEVERANCE POLICY  
June 2014**

**SEVERANCE POLICY  
For STAFF & FACULTY**

On occasion, organizational needs may require that existing staff positions be eliminated. When it becomes necessary to eliminate positions, Centenary University strives to handle such layoffs in a systematic and consistent way throughout the organization and to help identify opportunities that may be available to the affected individual. If another Centenary University position is not secured by the affected individual, severance pay may be available as defined in this Policy.

Centenary University reserves the right to solely determine whether to layoff or involuntarily reassign individuals when situations occur, including but not limited to, financial exigency, lack of work, reorganization of a University operation or department, changes in programs or technologies, etc. Such reductions of positions assist the University in maintaining financial security and efficiency of operations.

**Applicability**

This policy applies to the following:

- Full-time Staff (10, 11 and 12 months per year)
- Part-time Staff who are regularly scheduled to work a minimum of 20 hours per week and 12 months per year
- Full-time Faculty, in accordance with the provisions of the Centenary University Constitution (9, 10, 11 and 12 months per year)

This policy does not apply to subcontracted employees, temporary employees, per diem employees and any other non-regular employees. This Policy does not apply to the dismissal of an employee for failure to satisfactorily complete the Introductory Period, for employment-at-will and for-cause separations.

**Layoff Procedures**

A reduction in force is directed by the President, or designee, upon recommendation of the appropriate Vice President. Criteria will be established by the Executive Staff and the President, or designee, for implementing a reduction in force. Layoff criteria will take into consideration whether the elimination of a particular position may have fewer detrimental effects on the University than the elimination of other positions within the same, or other, department(s). For purposes of this policy, the term “department” is defined as an office, business or other operational subdivision of the University.

**Voluntary Transfer As a Result of Reduction in Force**

1. If an existing internal position is actively being recruited at the time of Reduction in Force, and the displaced employee believes that s/he meets the minimum requirements of the open position, the displaced employee may voluntarily apply for the position. If 2 or more employees (displaced and/or non-displaced) apply for the position, the supervisor will select the most qualified person to fill the position. A supervisor is not required to hire a displaced employee.
2. A displaced employee who accepts the offer of a lower paying position may have a reduction in salary; this is determined by the University on a case-by-case basis.



3. A displaced employee may opt to accept the offer of another position at the University in lieu of layoff and severance pay.

**Severance Pay**

Severance pay is available to employees whose positions are eliminated as the result of a reduction in force, as approved by the President, or designee. The University reserves the right to modify or terminate the Severance Policy at any time and without prior notice.

Severance is not available if the employee transfers from the current position to another position at the University. Likewise, if severance pay is already being paid, severance pay will cease on the date immediately prior to the date that the employee returns to work at the University.

**Release & Separation Agreement & Severance Pay Schedule**

If employment is being terminated as the result of a reduction in force, the following severance pay is applicable to the displaced eligible employee:

A. If you are otherwise eligible for severance pay under this policy and elect not to submit a valid waiver releasing the University from any legal claims arising out of your employment, you will be eligible to receive two (2) weeks notice or, in lieu of notice, a payment in lieu of notice equal to two (2) weeks pay, at the University's option. You will also receive pay for vacation to which you are eligible, in accordance with the Vacation Policy.

B. If you elect to submit a valid waiver releasing the University from any legal claims arising out of your employment, you will be eligible to receive severance payment based on the following schedule. You will also receive pay for vacation to which you are eligible, in accordance with the Vacation Policy.

<b>Years of Service Are Based on Years of Consecutive Service from Most Recent Date of Hire</b>	<b>Severance Pay Calculated at Current Base Weekly Rate of Pay</b>
Ten or more years of service	12 weeks
Five full years of service but less than 10 full years of service	9 weeks
Two full years of service but less than 5 full years of service	6 weeks
One full year of service but less than 2 full years of service	4 weeks
Less than one full year of service	2 weeks notice or 2 weeks pay in lieu of notice, at the University's option

**Benefits**

Your employment and benefits will terminate as outlined in the Separation Agreement or the letter of separation, as applicable.

**Vacation:** You will receive payment for vacation in accordance with the Vacation Policy. During the period of severance payment, you are ineligible to accrue any benefits including vacation and sick time.

**Retirement Plan**

Retirement matching contributions by the University will not be made on severance pay since you are not an active employee during the period of severance payment.



### **Medical, Dental, Vision Plans**

You may continue as a participant in the University's health benefit plans for up to 18 months following your separation from the University in accordance with COBRA regulations. You must elect COBRA coverage within the designated timeframe following termination of employment. Under COBRA, you must pay for the full cost of benefits. Following the termination of employment, you will receive a certified mailing of the COBRA packet from our third party provider, ADP explaining COBRA, exactly what benefits you may continue, what your costs will be and when and how COBRA coverage will terminate. During COBRA coverage, your participation in the University's group medical, dental and/or vision plans will terminate on the earliest of: the date you become covered under another group health, dental and/or vision plan(s), the date you fail to submit timely payment in accordance with COBRA guidelines, the date COBRA is exhausted in accordance with COBRA guidelines.

### **Life Insurance**

You may opt to convert your group life insurance to an individual policy through the Hartford.

### **Employee Tuition Benefit Policy**

The laid off employee is eligible to continue attending courses at Centenary University, if currently enrolled, through to course completion for the semester during which the employee is laid off. Upon layoff the employee is ineligible to apply for any additional course under the Employee Tuition Benefit Program.

Family members who enjoy the Centenary University Tuition Benefit Program have the following options:

The Tuition Benefit Policy ceases upon termination of employment as the result of a reduction in force for the employee's immediate family members enrolled in the Tuition Benefit Program. They have the following options:

1. Drop the course or,
2. Become financially responsible for the pro-rated cost of the course(s). The pro-rated amount is determined by the Bursar's Office.

If the decision is to complete the course(s), it is the laid off employee's responsibility to inform the Bursar of this decision, so that the Student Account Office will issue an adjusted invoice to the student. If the Bursar does not receive timely notification of intent to continue the course, the student will automatically be dropped as of the last day of employment for the Centenary employee.

### **Rehire**

During and after severance pay, you may apply for available positions, for which you believe you are qualified based on educational background, skills and experience, however, there is no preference or guarantee of rehire. If rehired, the Crediting of Service Policy may apply, in which case, an Application for Crediting of Service would be completed and submitted by you to the Human Resources Department to request crediting of prior service.

### **Questions**

Should you have any questions regarding this Policy, please contact the Human Resources Department.