

Policy 2.40 Staff Severance Program Frequently Asked Questions

1. How is severance paid?

Severance will be paid in one lump sum payment once the employee's termination is effective. If the employee participates in direct deposit, the payment will be made through direct deposit. If the employee does not participate in direct deposit, a check will be mailed to the employee's mailing address.

2. If an employee signed a severance agreement prior to January 3, 2021, how is their severance paid out?

Employees who signed a severance agreement prior to January 3, 2021 will follow the severance program outlined in the policy effective at that time.

3. Will the employee be required to sign an agreement and Release of Claims with the university before receiving severance benefits?

Yes. The employee will be required to sign an agreement and Release of Claims. Employees who do not sign and return their severance agreement and Release of Claims within the required period of time will be terminated without severance.

4. What are the tax options due to a lump sum payment?

Severance will be subject to all of the normal federal, state and local tax withholdings. Severance is not retirement plan eligible, so no retirement plan contributions will be taken from severance pay.

5. When is the employee eligible to apply for unemployment?

The employee may be eligible for unemployment once their termination is effective. See additional resources regarding unemployment, https://hr.osu.edu/life-events/leaving-ohio-state/.

6. When will vacation be paid out?

Vacation payout occurs in the pay period after the employee is terminated.

7. What will happen to the sick leave balance?

There is no payout of unused sick time; however, if the employee should return to work for a state entity within ten years, the forfeited hours would be reinstated. To be reinstated for sick time, documentation of the balance is required.

If an employee retires, they may be eligible for a sick leave payout pursuant the Paid Time Off Policy.

8. When will an employee's benefits end?

All benefits end on the employee's termination date. The employee is made aware of the termination date when they are notified their position is subject to a reduction in force.

9. Will an employee/dependent maintain their tuition assistance if a reduction in force takes place?

Yes, if an employee incurs a reduction in force that results in either a termination of employment or a reduction in your appointment to less than 75% FTE, you will continue to be eligible to participate in the Plan for the remainder of the academic term in which such change in employment status occurs.

10. Does the employee give up the right to be employed by the university for any period of time if the employee accepts severance?

No. The affected employee is eligible to apply for positions.



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11. Severance calculation is based on continuous service, what constitutes a break in service?

A break in service is when an employee has had a separation from service of thirty-one days or more. Provided the employee is reinstated or reemployed within the allowable time, an authorized leave of absence or any separation from service that carries a right to reinstatement or reemployment as a result of layoff, does not constitute a break in service.

12. Who should an employee call if there are questions about severance?

An employee should contact his/her unit human resource professional or Employee and Labor Relations.

13. If an employee is paid through grants and contracts, is he/she eligible for the severance program?

An employee fully funded on grants or contracts is not eligible for the severance program. For staff, whose positions are on split funding, at least 50% of the position must be funded by eligible funding sources to qualify for the severance program. The portion of the position funded by the grant or contract is not considered in the calculation of severance.

14. Are seasonal, temporary, term and intermittent staff eligible for severance?

No. Seasonal, temporary, term and intermittent staff are not eligible for severance.

15. Are student employees and graduate associates eligible for severance?

No. Student employees and graduate associates are not eligible for severance.

16. Where can I find guidance as to whether an employee is paid through grants and/or contracts?

The Office of Business and Finance has guidelines to help units and employees determine if the position is grant or contracted funded. They can be found at:

- a. Office of Business and Finance Fund Transfer General Ledger
- b. Funds Typically Used by an Academic Departments

17. If employees are funded through county funds, are they eligible for severance?

Yes. Employees funded in this way are eligible for the severance program.

18. If a department changes a grant-funded position to general funds, does the employee occupying that position become eligible for the severance program?

A unit has the flexibility to change a grant-funded position to general funds on a temporary basis. This flexibility is allowed in an effort to bridge an employee until external funding is renewed. If a position is changed to general funds and the position is subsequently abolished, the employee is not eligible for severance if the funding change was effective for a period of less than six months. An employee who has been changed to general funds for a period equal to or greater than six months is eligible for severance.

19. Can a Classified Civil Service employee who elects severance still "bump" into another position?

No. A CCS staff member who elects severance at the time of the abolishment forgoes her/his rights to displacement and reinstatement.

20. Does a Classified Civil Service employee who elects severance still have "reinstatement rights?"

No. When employees elect severance reinstatement rights cease.



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21. What are the employee's responsibilities with this policy?

The employee must sign an agreement and Release of Claims for the severance program. If Classified Civil Service, the staff member must also notify the supervisor and/or Employee and Labor Relations to elect the program within ten days of receiving notification.

22. If a position is *involuntarily* reduced from full-time to part-time, is the employee eligible for severance?

No. Severance is only available when an appointment is completely eliminated and the staff member is involuntarily terminated in accordance with Reduction in Force Policies 9.15 and 9.20 are eligible for severance.

Unclassified staff are not eligible for severance in this instance. Classified staff who are involuntarily reduced below 75% are considered a RIF and may elect severance if otherwise eligible.

23. Who pays the severance for a CCS employee when a displacement occurs?

In the event a displacement occurs, the unit who initiated the original abolishment will be responsible for the cost of the severance program.

24. Should a manager/supervisor initiate retirement conversation with the employee?

No. The employee may request information on retirement benefits by contacting a benefits consultant.

25. If a CCS employee elects displacement and is unable to displace based on lack of position availability or retention point totals, can that employee receive severance at the time of layoff?

Yes. If a CCS employee elects displacement, but must be laid off because she or he is unable to displace another employee and no suitable vacancies exist, the employee is eligible to receive his/her severance. When the employee accepts severance, his/her reinstatement rights are forfeited and the severance payment is prorated appropriately. These factors could include but are not limited to reviewing the effective date of notification, those weeks the individual was in the search process for purposes of displacement, the reason the employee could not displace and the ability of the unit to manage its operations.

26. Where can I get additional information?

- Staff Severance Program, Policy 2.40, hr.osu.edu/policy/policy240.pdf
- Reduction in Force Classified Civil Service Staff, Policy 9.20, hr.osu.edu/policy/policy920.pdf
- Reduction in Force Unclassified Staff, Policy 9.15, hr.osu.edu/policy/policy915.pdf
- Employee and Labor Relations 614-247-6947; hrconnection@osu.edu