



SOUTHERN UTAH UNIVERSITY
Policies and Procedures

Policy # 8.3.4
Date Approved: 06/11/90
Date Amended: 09/23/05
Reviewed w/no Changes:
Office of Responsibility: VP Fin
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SUBJECT: SEVERANCE PAY

- I. **PURPOSE:** To define University policy with respect to severance pay for non-instructional, salaried employees under regular University appointment and to designate the procedures for making such payment.

- II. **POLICY:**
 - A. **DEFINITIONS**
 1. Severance Pay is a payment made to an employee who is placed on layoff status without being given the required advance notice of termination. Severance pay does not constitute compensation, and where applicable will be paid in addition to accrued salary, wages, and unused vacation time.
 2. Notice is given by a written statement which is delivered in person, except that if the individual cannot be personally located at the usual place of University employment during assigned working hours, notice may be given by mailing the statement to the employee at his or her last known address. If notice is mailed, it will be sent by certified mail.

 - B. **POLICY**
 1. When it is necessary for the University to effect a reduction in work force (RIF), or to terminate an employee for reasons other than cause, each nonexempt staff member in non-probationary status who is to be laid off will ordinarily be given written notice of termination at least two calendar weeks before the effective date of such termination. For exempt staff personnel, the notice will be given at least four calendar weeks before the effective date of termination.
 2. If the required advance notice is not given, or is given for a shorter period than provided under paragraph A, severance pay will be given in lieu of notice, and will be included in the final paycheck for the employee. The amount given as severance pay will be the amount represented by the daily base pay rate in effect for the employee during the period of the required notice, multiplied by the number of working days for which the employee did not receive the required notice.



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3. Eligibility
 - a. An employee is not eligible for severance pay if (a) the effective date of termination occurs within the probationary period of employment, or (b) the termination is for cause.
 - b. Severance pay is not available to employees whose termination is voluntary.
4. Severance pay is not considered part of the regular rate used to compute overtime payments due upon termination, and cannot be used to reduce any other payments due to the employee, such as accrued overtime, and accrued but unused vacation time. Compensation shall not be paid for unused sick leave. Severance pay will be considered for the purpose of FICA and income tax withholding, but will not be considered for the purpose of University benefits and does not extend the employment period beyond the effective date of termination.
5. Temporary employees, hourly student employees, and hourly wage employees shall be given as much notice as is reasonable, but no minimum time is required.

C. PROCEDURE

1. Terminations for which severance pay is to be given must be communicated to the Human Resources Office. A copy of the written notice of termination, endorsed to show the date upon which notice was given to the employee, shall be sent to the Human Resources Office. The effective date of termination shown on the written notice must be the actual date of termination of the employer-employee relationship.
2. The Human Resources Office is responsible for reviewing the notice of termination for consistency with this policy and assuring that the amount of severance pay, if any, is correctly computed and distributed to the appropriate accounts.
3. Severance pay action should be taken immediately upon learning of a termination and definitely before the last paycheck is released. A



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telephoned or an e-mailed notification to the Human Resources Office will expedite termination procedures.