Policies for All Staff Employees

Separation Pay
AFSCME(BL, IN, SB) 9.2 • CWA 13.4 • PA/SS 7.3 • Police(BL, IN, NW, SB, SE)

Effective:  
Last Updated: November 20, 2014

Responsible University Office: University Human Resources

Responsible University Administrator: Senior Vice President and Chief Financial Officer

Policy Contact: University Human Resources

A. Scope

This policy applies to all Staff employees.

B. Policy Statement

Staff employees are eligible for separation pay at their regular rate of pay for certain accrued benefits when separating from university employment. The conditions for determining separation pay are listed below.

C. Procedures

1. Professional Staff: voluntary or involuntary separation
   a. All employees on the PA time off plan receive the accrued benefits described below, whether or not the employee gives or receives notice of separation.
      i. Holidays that are still eligible for use within the specific time allowed.
      ii. Paid Time Off (PTO) balance.
      iii. Compensatory time off for PAO and PAU Staff.
   iv. Honorary vacation balance, up to a maximum of 60 days (480 hours) for 100% FTE staff.  
      (Professional staff employed prior to 1985—or promoted from a Support and Service position to a PA position prior to May 2002—may have previously accrued honorary vacation.)
v. Except as provided below for separations with IU Retiree status or at time of death, employees do not receive separation pay for sick bank accruals.

b. All employees on the PB time off plan receive the accrued benefits described below, whether or not they give or receive notice of separation.
   i. Bonus holidays. An employee who separates from employment on the last working day of March, June, or September (or the last workday before December 15 if that is not a workday) will receive the quarter's bonus holiday.
   
   ii. Holidays that are still available for use within the specific time allowed.
   
   iii. Vacation time up to a maximum (excluding honorary vacation) of 200 hours, plus the number of vacation hours that the employee earns in a full year. (This is called the employee's annual allowance.)
   
   iv. Compensatory time off for PAO and PAU Staff.
   
   v. Honorary vacation up to a maximum of 480 hours.
   
   vi. Except as provided below for separations with IU Retiree status or at time of death, employees do not receive separation pay for sick bank accruals.

2. Professional Staff: IU Retiree status or death

   a. Professional staff on the PA time off plan
      i. Refer to the Web page, Retiree Status and Benefits, for information about qualifying for IU Retiree status.
      
      ii. In addition to the items listed in the above section, “Voluntary or involuntary separation,” some Professional Staff receive separation pay for accrued sick bank time. To be eligible, the employee must be enrolled in PERF or the IU Retirement 11.25% Plan and have more than 152.0 sick bank hours. Eligible staff receive pay at the rates listed below.
         - 25% of pay for 152.0 through 312.0 hours
         - 50% of pay for hours more than 312 hours.
         - Staff enrolled in the IU Retirement 10%, 12%, or 15% Plans do not receive separation pay for sick bank accruals with the exception in paragraph 3.a. below.

   b. Professional staff on the PB time off plan
      i. Refer to the Web page, Retiree Status and Benefits, for information about qualifying for IU Retiree status.
      
      ii. Bonus holidays including the bonus holiday for the last quarter worked provided that the employee worked one month of the quarter.
      
      iii. Holidays, vacation, compensatory time, and honorary vacation are the same as Section B. 2. above.
iv. Income protection time. Employees enrolled in PERF or IU Retirement 11.25% Plan with more than 152.0 income protection hours accrued receive pay at the rates listed below.
   - 25% of pay for 152.0 through 312.0 hours
   - 50% of pay for hours more than 312.0 hours.

v. Staff enrolled in the IU Retirement 10%, 12%, or 15% Plans do not receive separation pay for income protection (sick hours) with the exception noted below.

c. Professional Staff with vested rights in both PERF and the IU Retirement 12% Plan
   i. It is possible for employees to be covered under university service for vested rights in both PERF and the IU Retirement 12% Plan. In such cases, separation payment for accrued sick leave time is applicable if the years of employment under PERF equal 50% or more of the total service. However, the benefit is a multiple of the percentage of total employment under PERF.
   
   ii. This exception does not apply to staff enrolled in the IU Retirement 10% or 15% Plans.
   
   iii. Persons who are vested in both PERF and the IU Retirement 11.25% Plan will, for purposes of this policy, be treated as though they had continued PERF enrollment.

   d. Professional Staff in the IU Retirement 15% Plan
      i. Professional Staff in the IU Retirement 15% Plan will have vacation or PTO deducted from the interim benefit payment. Contact the campus human resources office for details.

3. Support and Service Staff: voluntary or involuntary separation
   
a. Support and Service Staff receive the accrued benefits listed below whether or not the employee gives or receives notice of separation.
      
i. Holidays that are still available for use within the specific time allowed.
      
ii. Compensatory time off.
      
iii. Vacation time. To be eligible to receive separation pay for vacation time, an employee must have six months of service. The following table shows the maximum amount for which an employee receives separation pay for vacation time.

<table>
<thead>
<tr>
<th>Years of university service credit</th>
<th>Maximum Separation Pay (hours)</th>
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<tbody>
<tr>
<td>6 Months through 6 years</td>
<td>312</td>
</tr>
<tr>
<td>start of 7 through 13 years</td>
<td>352</td>
</tr>
<tr>
<td>start of 14 years</td>
<td>392</td>
</tr>
<tr>
<td>start of 15 years</td>
<td>432</td>
</tr>
<tr>
<td>start of 16 years</td>
<td>472</td>
</tr>
<tr>
<td>start of 17 years</td>
<td>512</td>
</tr>
<tr>
<td>start of 18 years</td>
<td>552</td>
</tr>
<tr>
<td>start of 19 years</td>
<td>592</td>
</tr>
</tbody>
</table>
4. Support and Service Staff: IU Retiree status or death
   a. Refer to the Web page, Retiree Status and Benefits, for information about qualifying for IU Retiree status.
   
   b. In addition to the items above, Support and Service Staff enrolled in PERF or the Retirement & Savings Plan who separate with IU Retiree status regardless of the reason for the separation or who die are entitled to receive separation pay for accrued income protection time in excess of 152 hours. The death of an employee at any age and with any years of service entitles the beneficiary to receive this benefit.

      i. The benefit is 25 percent of pay for hours in excess of 152.0 through 312.0 and 50 percent of pay for hours in excess of 312.0.

      ii. It is possible for employees to be covered under university service for both vested rights in PERF and the IU Retirement 12.0 Plan. In such cases the benefit is applicable if the years of employment under PERF equal 50 percent or more of the total service, but the benefit will be a multiple of the percentage of total employment under PERF.

D. Sanctions

Managers, supervisors, and employees who violate this policy are subject to disciplinary action, up to and including termination.

E. Web Address for this Policy

hr.iu.edu/policies/appointed/separation_pay.html