

SEVERANCE BENEFITS

APPLICATION:

- Full-time and part-time classified employees who have been involuntarily separated from state service.
- Designed to lessen the impact of involuntary separation by providing some cash payment and continuing key benefits **for a period of time.**

BENEFITS:

- Severance payments, and
- Continued state contribution toward health insurance premiums, and
- Continued state contribution of life insurance premiums, OR
- Enhanced retirement option.

SEVERANCE PAYMENTS:

Cash Severance Option Only

Does Not Apply to Enhanced Retirement Option

- Based on weekly salary.
- Distributed as salary payments, twice per month.
- Continued for period of time determined by years of continuous salaried state service.
- Partial years of service rounded up
- Minimum payment is 4 weeks for employees with two or less years of service
- Maximum payment is 36 weeks of salary for employees with 17 or more years of service.

HEALTH INSURANCE:

Cash Severance Option Only

Does Not Apply to Enhanced Retirement Option

- Agency continues to pay employer portion of the premium for 12 months.
- Employee pays his/her share of the premium.

LIFE INSURANCE:

Cash Severance Option Only

Does Not Apply to Enhanced Retirement Option

- Agency continues contribution toward group life for 12 months.

ENHANCED RETIREMENT OPTION:

- May choose in lieu of Leave Without Pay-Layoff and receipt of health insurance, life insurance and severance payments.
- Adds value of severance benefit to calculation of retirement benefit.
- If at least 50 and vested, may elect to have the Commonwealth purchase years to be credited for retirement purposes toward either the employee's:
 - o Age, or
 - o Creditable service, or
 - o Divided between age and creditable service
- Once retirement credit added, member must be at least age 55 with 5 or more years of service or at least 50 with 10 or more years of service.
- Immediate annuity.

CESSATION OF BENEFITS:

- When employee returns to any agency or institution of the Commonwealth through:
 - o re-employment into a salaried position
 - o hourly employment or
 - o contractual agreement as an independent contractor or consultant.

IMPORTANT NOTE:

- If an employee declines a placement option (valid vacancy or substitution) that does not require a salary reduction or relocation, (s)he loses layoff rights and severance benefits
- If VDOT cannot identify a valid vacancy or substitution placement, the affected employee receives full layoff rights and severance benefits for which (s)he is eligible