



## **POLICY ON SEVERANCE PAY - NON-UNION/NON-FACULTY EMPLOYEES**

*Dated: August 30, 2018*

*Supersedes: Policy on Severance Pay – Non-Union/Non-Faculty Employees dated April 30, 2015*

### **I. PURPOSE**

To establish guidelines for severance payments to eligible employees.

### **II. POLICY**

Should reductions in staff be required, employees will be treated in a consistent manner and eligible employees will receive severance pay following termination commensurate with their years of service.

This policy is subject to change without prior notice.

### **III. SCOPE**

- A. This policy applies to all College regular full-time non-union/non-faculty employees not working under HHC Affiliation Agreements.
- B. For eligible regular full-time non-union/non-faculty employees working under HHC Affiliation, the applicable provisions of such Agreements shall govern.
- C. All other College employees and employees hired on a temporary basis, including Clinical Fellows, Research Fellows, Graduate Research Assistants, Residents and Students, are not covered by the provisions of this policy.
- D. CBU employees are covered under the provisions of their respective Collective Bargaining Unit Agreement

### **IV. DEFINITIONS**

- A. *Severance pay* - payment(s) based on length of service that is payable to an eligible employee in the event of their termination of employment as specified herein.
- B. *COBRA* - Consolidated Omnibus Reconciliation Act - a federal regulation that provides for continuation of medical and dental benefits after termination.

- C. *CBU* - Union represented employee (Collective Bargaining Unit).
- D. *Eligible Employee* – An eligible employee is a College regular full-time non-union/non-faculty employee who has executed a College-supplied general release of claims and severance agreement other than employees working under HHC Affiliation Agreements.

## V. PROCEDURES

- A. Severance payments may be made to eligible employees terminated due to:
  - 1. Operational shutdown, including loss of soft-dollar support.
  - 2. Inability to perform functions of job due to technological changes.
  - 3. Reorganization resulting in job elimination or major changes in job content.
- B. When an employee is paid from faculty practice or other external source of funding, severance payments will be conditional and dependent on the availability of funds from applicable sources.
- C. This policy will not cover termination resulting from unsatisfactory job performance.
- D. Severance payments will not be made when:
  - 1. An employee voluntarily terminates employment or is discharged for cause prior to one of the events listed in Section V.A. above.
  - 2. An employee is offered comparable employment from another entity which has taken over a portion of New York Medical College's prior area of responsibility in which the employee works. Payment will not be made in the event comparable employment is offered to and refused by the employee.
  - 3. An employee is on severance and becomes employed by another segment of the College. Severance will cease and no additional benefits will be provided.
- E. Severance Pay Formula
  - 1. Wherever possible, a minimum of two (2) weeks advance notice will be given to employees who are being terminated. Severance payments will be calculated using the following schedule:

<b>Non-Exempt Employees Years of Service</b>	<b>Severance Payment Equivalent to Base Salary</b>
0 - 1 Year	None
1 - 2 Years	1 Weeks
2 - 3 Years	2 Weeks
3 - 4 Years	3 Weeks
4 - 5 Years	4 Weeks
5 - 10 Years	5 Weeks
10 - 15 Years	6 Weeks
15+ Years	8 Weeks

<b>Exempt Employees Years of Service</b>	<b>Severance Payment Equivalent to Base Salary</b>
0 - 1 Year	None
1 - 2 Years	1 Weeks
2 - 3 Years	2 Weeks
3 - 4 Years	3 Weeks
4 - 5 Years	4 Weeks
5 - 6 Years	5 Weeks
6 - 7 Years	6 Weeks
7 - 8 Years	7 Weeks
8 - 9 Years	8 Weeks
9 - 10 Years	9 Weeks
10 - 11 Years	10 Weeks
11 - 12 Years	11 Weeks
12 + Years	12 Weeks

F. Method of Payment

1. Severance payments will be paid until such severance payments are exhausted through the College's normal payroll system; or
2. At the discretion of management, severance payments may be paid in a lump sum.

G. Continuation of Benefits

1. During the period that severance payments are being made, medical, dental and non-contributory life insurance will continue. All other benefits cease on the day of severance.
2. The employee has the right to choose continuation of the College's Medical and Dental Plans for a period of eighteen (18) months at

the end of the severance period at the employee's cost under COBRA.

- H. Vacation Pay - Employee shall receive a lump sum payment for any unused, accrued vacation in accordance with **Policy HR.303 – Vacation policy**.
- I. Amendments and Repeal - this policy is for the guidance of College Administrators and may be amended or repealed at any time without notice.

## **VI. EFFECTIVE DATE**

This policy is effective immediately.

## **VII. POLICY RESPONSIBILITY**

Human Resources Department - provide advice and guidance with respect to the interpretation and administration of this policy.

## **VIII. POLICY MANAGEMENT**

Responsible Officer: Vice President of Operations  
Responsible Executive: Director of Human Resources  
Responsible Offices: Human Resources Department