



Minnesota
STATE COLLEGES
& UNIVERSITIES

Human Resources Guideline & Interpretation

Processing Severance and Early Separation Incentive Payments

RET0002

Purpose: The purpose of this procedure is to provide campuses with instructions on how to process Severance and Early Separation Incentive Payments for employees under the SCUPPS/SEMA4 personnel/payroll system.

Affects: All system colleges, universities, and the office of the chancellor

Authoritative References: Severance/Early Separation Incentive language in applicable employee bargaining agreements/plans and Board Policy.

Required Form(s): Special Payment Request form #PE-00209-05 (2/91) and [MnSCU Early Separation Incentive Payment Request form](#) (State Colleges only).

Responsibility for Implementation: Each college/university HR office is responsible for determining eligibility and processing the payment(s) in accordance with the language in the applicable bargaining agreement/personnel plan or Board procedure.

Attachments: None

Introduction: Severance payments and early separation payments are made at the termination of employment and are subject to specific eligibility criteria that are outlined in the applicable bargaining agreement/personnel plan.

Definitions:

- *Severance.* Severance payments are subject to eligibility criteria as outlined in the employee's bargaining contract or pay plan. Severance pay for unclassified employees is calculated at the base daily rate of pay (for classified employees, the regular hourly rate is used) and is applied to employee sick leave balances in accordance with language in the appropriate bargaining agreement/plan. Lump-sum severance payments are processed during the payroll period immediately following the employee's last day of service.
- *Early Separation Incentive.* Early separation incentives can take the form of State-paid insurance until age sixty-five (65) and/or cash payments based on years of service or other criteria as

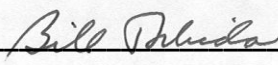
outlined in collective bargaining contracts, pay plans, or legislative language. This procedure only pertains to cash payment incentives.

Procedure:

- *Severance payments* should be processed as outlined by MMB for classified employees. Payments for unclassified employees should be processed on the Special Payment Request form at the campus level. The Office of the Chancellor does not need to counter-sign the form. Campuses will be held accountable for correct severance payments via audit procedures.
- *Early Separation Incentive payments:*
 1. College campuses should process requests on the MnSCU Incentive Payment Request form and forward the form to the System Personnel Office for review and approval. Copies of other relevant documentation pertaining to the Early Separation Incentive request, such as copies of applicable collective bargaining language for the Technical Colleges, should be forwarded along with the Payment Request.
 2. The System Personnel Office will notify the college campus via return fax if the Request is approved.
 3. The campus Human Resources Office will process the approved payment request to payroll and file the System Office approval with the payroll documentation.

Approved: September 26, 1996

Revised: June 1, 2009



Vice Chancellor, Human Resources

June 1, 2009

Date