## SEVERANCE BENEFITS

Department of Human Resource Management Policy 1.57

### Chart of Benefits

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Effect of Severance Benefit on Other Benefits</th>
</tr>
</thead>
</table>
| **Group Life Insurance**           | • Employer continues insurance premium for 12 months for employees receiving severance payments.  
• Employees on LTD-Working or on LTD that transitioned from STD while on LWOP-Layoff continue to be covered by group life insurance if they receive severance payments.                                        |
| **Healthcare**                     | • Employer paid premium continues for 12 months for full-time employees receiving severance payments.  
• Full-time employees on LTD-Working or on LTD that transitioned from STD while on LWOP-Layoff and receive severance continue to be covered by the active group health insurance with employer paid premiums. |
| **Holidays**                       | • Not eligible to receive.                                                                                                                                                                                                                                             |
| **Optional Life Insurance**        | • May convert to an individual policy upon separation.  
• Employees choosing enhanced retirement may continue a portion of optional life insurance coverage. Go to [www.varetire.org](http://www.varetire.org) (Virginia Retirement System) for details.           |
| **Retirement**                     | • No retirement service credit is received while on LWOP-Layoff.  
• Exception: Employees receiving VSDP benefits and severance payments will receive retirement service credit for the period of time on LWOP-Layoff. Retirement contributions continue for employees on STD receiving severance payments.  
• Pre-tax purchase of prior service ends when severance benefits begin.  
• Eligible employees may apply the severance benefit to obtain an enhanced retirement benefit.                                                                                                         |
| **Service Credit for Leave**       | • Time counts towards service for annual, sick, and family and personal leave.                                                                                                                                                                                        |
| **Unemployment compensation**      | • May receive unemployment compensation, but severance payments are reduced by the amount of any unemployment compensation.  
• Amount deducted from severance payments shall be paid in a lump sum at the end of severance payments.  
• Contact the Virginia Employment Commission for details.                                                                                                                                                    |
| **VSDP Short-term Disability and LTD-Working** | • Severance payments offset VSDP benefits.  
• At the end of severance if an employee is still disabled, VSDP benefits continue.  
• Employees who move from STD or LTD-Working to LTD continue to receive severance benefits until the end of LWOP-Layoff.  
• Agencies must report to the TPA severance payments received by employees on LTD-Working.  
• Time on LWOP-Layoff counts toward 180-day waiting period for LTD.  
• Employees in LTD-Working immediately move into LTD when placed on LWOP-Layoff.                                                                                                                      |
| **VSDP Long-term Disability**      | • Employees on LTD when layoff occurs are not eligible.                                                                                                                                                                                                                 |