

SEVERANCE BENEFITS

Department of Human Resource Management Policy 1.57

Chart of Benefits

Benefit Type	Effect of Severance Benefit on Other Benefits
Group Life Insurance	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Not eligible to receive.
Optional Life Insurance	<ul style="list-style-type: none"> • 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 (Virginia Retirement System) for details.
Retirement	<ul style="list-style-type: none"> • No retirement service credit is received while on LWOP-Layoff. • Exception: Employees receiving VSDP benefits <u>and</u> 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 and/or VSDP	<ul style="list-style-type: none"> • Time counts towards service for annual, sick, and family and personal leave.
Unemployment compensation	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Employees on LTD when layoff occurs are not eligible.