

Workforce Transition Act

**At-Will Transition Briefing
Department of Human Resource Management
September, 2021 to January, 2022**



Workforce Transition Act (WTA)

- ▶ Title 2.2, Chapter 32 of Code of Virginia
- ▶ Applies to salaried employees exempt from the Virginia Personnel Act
 - ▶ Officers appointed by the Governor, Cabinet Staff, Agency Heads, Chief Deputies, Confidential Assistants for Policy or Admin, etc.
 - ▶ Wage/hourly and contract workers excluded

Workforce Transition Act

- ▶ Must be **involuntarily** separated to collect benefits
- ▶ Appointees who **resign** are not eligible for severance benefits

WTA Severance Benefit

Severance Benefits Package

- ✓ Weekly Cash Severance Payments
- And
- ✓ Twelve months of State's contribution towards Health and Life Insurance

Severance Benefits Package

- ▶ Available to Salaried Employees who participate in:
 - ▶ The Optional Retirement Plan for Political Appointees (ORPPA)
 - ▶ The VRS Defined Benefit or Hybrid Plans
 - ▶ Not yet eligible for retirement
 - ▶ And
 - ▶ Eligible for Retirement
- ▶ Severance is Not Available to:
 - ▶ Wage/Hourly Employees
 - ▶ Contract Workers

How Severance Payments Are Determined

- ▶ Based upon employee's years of **continuous** service
- ▶ Partial years are rounded up to the next highest year
- ▶ Determines the number of weeks of severance payments

How Severance Payments Are Determined

- ▶ Annual salary is divided by 52 to derive a weekly salary
- ▶ Severance payments range from 4 weeks up to a maximum of 36 weeks based upon continuous years of service

Calculating Severance Payments

2 years or less

- 4 weeks of severance

3 years thru 9 years

- 4 weeks plus additional week for every year over 2

10 years thru 14 years

- 12 weeks plus 2 additional weeks for every year over 9

15 years or more

- 2 weeks per year not to exceed 36 weeks

Example-Severance Payments

This Employee:

- ▶ State Begin Date: Jan. 15, 2018
- ▶ No other continuous service
- ▶ Annual salary: \$90,000
- ▶ Involuntarily separated: Jan. 20, 2022

Example - Severance Payments

- ▶ Continuous Service = 4 yrs. plus 5 days
 - ▶ Service time is rounded up to 5 years
- ▶ Salary Rate = $\$90,000/52$ or $\$1730.77$ per week
 - ▶ Weekly amount - not semi-monthly amount
- ▶ Number of Severance Payments
 - ▶ 7 weeks @ $\$1,730.77$ or total of $\$12,115.39$

Health & Life Insurance Benefits

- ▶ Remain in the active employees Health Insurance Plan
- ▶ Continues for up to 12 months from the date of the involuntary separation*
- ▶ Upon completion of the 12-month severance period, employees will be afforded the opportunity to extend their health care coverage through COBRA

**UNLESS* you are re-employed into a salaried state position that provides the state's health and life insurance benefits

Direct Deposit

- ▶ Severance is paid according to the method you currently receive your paychecks
- ▶ Consult with payroll if changes to this method are needed

Deductions from Severance Payments

- ▶ The employee's contribution to health insurance premiums will be deducted from severance payments
- ▶ Check with your Agency's payroll office regarding other deductions

Deferred Compensation & Cash Match

- ▶ Deferred Compensation will NOT be deducted from severance payments
- ▶ Cash match does NOT continue

Severance Considerations

Payments Continue

- Remain unemployed;
- All weeks are paid;
- Employment outside of state government does not impact payment

Payments End

- If re-employed with the Commonwealth as:
 - A salaried employee;
 - An hourly employee; or
 - An independent contractor or consultant

Enhanced Retirement Benefit (Participants in VRS/SPORS/VALORS)

Value of Cash Severance Payments
PLUS

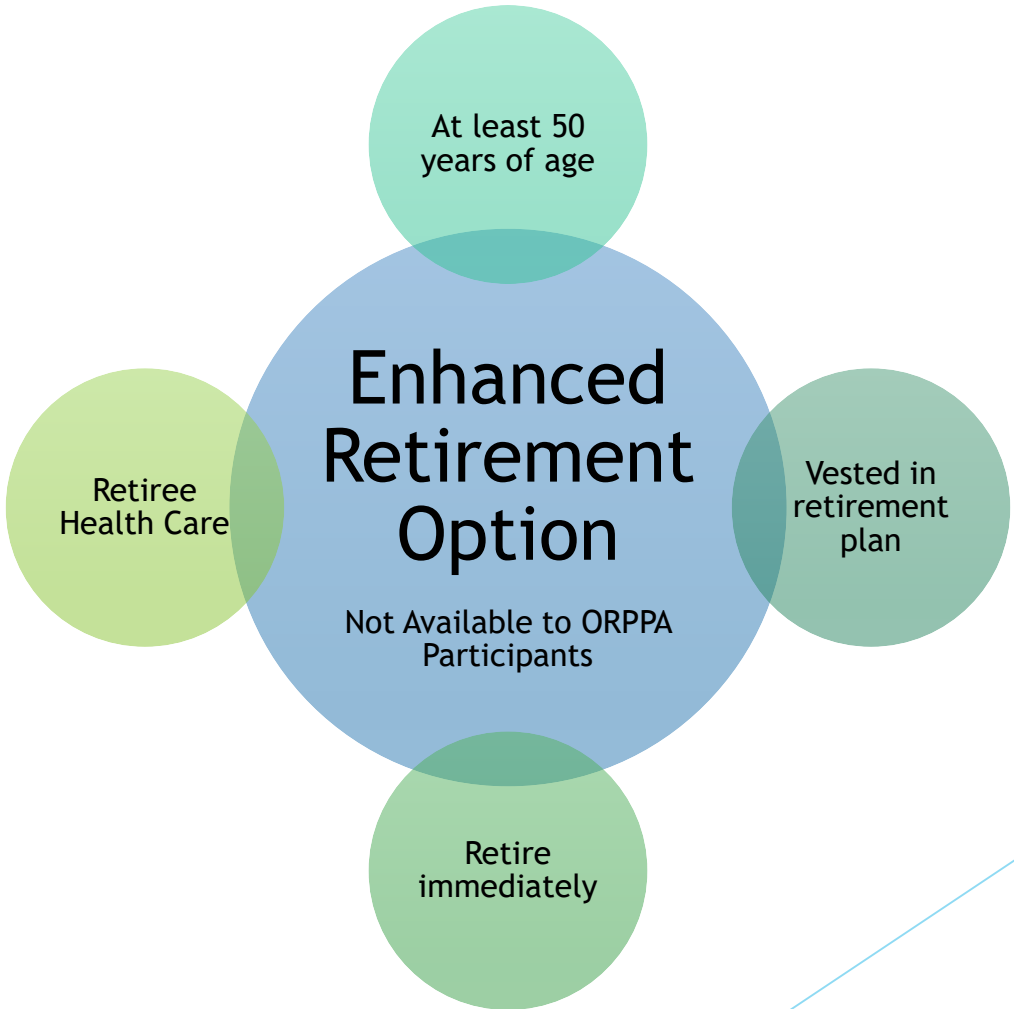


Value of State's Contributions towards
Health and Life Insurance



Converted into additional years of
service applied towards immediate
retirement

Enhanced Retirement Important Criteria



Enhanced Retirement and Return to State Service

▶ State Salaried Positions

- ▶ Retirement benefits cease
- ▶ Will begin contributing to retirement plan again
- ▶ Upon subsequent retirement, retirement benefits will be recalculated

▶ Wage/Hourly Positions

- ▶ Same agency
 - ▶ Affordable Care Act (ACA) requires a 13 week period of separation before returning.
- ▶ Different agency
 - ▶ VRS requires a 30-day period of separation before returning

Service Retirement Option

(VRS/SPORS/VaLORS Only)

- ▶ Select the severance payments
 - ▶ Collect severance payments
 - ▶ Twelve months of Health/Life Insurance state contributions
- ▶ Service retirement - may delay retirement date by up to 12 months from the date of involuntary separation

Leave Payouts Upon Separation

Voluntary or Involuntary Separation

▶ Executive Leave Plan (Appointees)

- ▶ Paid for up to 120 hours (or 15 days.) At will employees will not be compensated for unused leave after December 31, 2021

▶ Accrual Leave Plan (Classified)

- ▶ Limited to current appointees who were approved to remain in the classified plan at the time of their appointment.
- ▶ Based on Length of Service and Maximum Pay-out Limits established in DHRM Policy 4.10, Annual Leave and Policy 4.55, Sick Leave

Impact on Other Benefits

- ▶ Refer to charts in materials
- ▶ Consult with your Agency's HR Office
 - ▶ Severance calculations
 - ▶ Leave Payouts
- ▶ Consult with the VRS regarding retirement benefits

**Thank you for your
service
to the
Commonwealth!**

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