

POLICY: SEVERANCE PAY
SECTION: PERSONNEL

POLICY #: 204
EFFECTIVE: 06/20/13
HISTORY: 2002

PURPOSE

This policy provides supplemental income under specified conditions, as described below, to CSU Fullerton Auxiliary Services Corporation (ASC) full-time employees upon separation from ASC. This policy also provides a uniform payment schedule to non-exempt or exempt full-time employee who is permanently released from ASC service, in good standing, due to a reduction in force or elimination of position. Severance benefits are intended to assist the affected employee in transition to other employment. Severance is granted at the sole and exclusive discretion of the Executive Director.

POLICY

Severance pay is a benefit that may be granted subject to funding and budgetary capability and at the discretion of ASC management, to full-time employee/s terminating employment with ASC under specified conditions. ASC reserves the right to modify or discontinue this policy at any time, with or without notice.

Eligibility

Full-time employees who have been employed a minimum of six (6) months may be eligible to receive severance pay under this policy.

Circumstances under which severance pay may be granted.

- Permanent reduction in the workforce
- Elimination of job or position

Circumstances under which severance pay will NOT be granted.

- Voluntary separation
- Termination for cause
- Temporary layoffs
- Refusal to accept another suitable ASC position offered at the time of termination
- Termination of a project because of lack of funding
- Retirement under conditions not involving elimination or termination of the position

Payment

All payments due will be issued through regularly-scheduled payroll processing periods unless stipulated by State law. Taxes will be withheld from benefits under this plan to the extent required by law. Severance pay is not eligible for deferral to the ASC's retirement plan.

In order to receive severance pay and the COBRA subsidy, an employee must sign a separation agreement containing a general release as a condition to the receipt of such benefits. The amount of severance will be based on the employee's completed years of continuous ASC service.

Non-exempt, full-time employees may receive severance pay as follows:

6 months to 2 years	2 weeks base pay & 1 month subsidized COBRA
3 years.....	3 weeks base pay & 1 month subsidized COBRA
4 years.....	4 weeks base pay & 1 month subsidized COBRA
5 years.....	5 weeks base pay & 2 months subsidized COBRA
6 years.....	6 weeks base pay & 2 months subsidized COBRA
7 years.....	7 weeks base pay & 2 months subsidized COBRA
8 years.....	8 weeks base pay & 2 months subsidized COBRA
9 years.....	9 weeks base pay & 2 months subsidized COBRA
10 years or more.....	12 weeks base pay & 3 months subsidized COBRA

Exempt, full-time employees may receive severance pay as follows:

6 months to 2 years	2 weeks base pay & 1 month subsidized COBRA
3 years.....	4 weeks base pay & 1 month subsidized COBRA
4 years.....	6 weeks base pay & 2 months subsidized COBRA
5 years.....	8 weeks base pay & 2 months subsidized COBRA
6 years.....	10 weeks base pay & 3 months subsidized COBRA
7 years.....	12 weeks base pay & 3 months subsidized COBRA
8 years.....	14 weeks base pay & 3 months subsidized COBRA
9 years.....	16 weeks base pay & 3 months subsidized COBRA
10 years or more.....	20 weeks base pay & 3 months subsidized COBRA

Executive management employees may receive severance pay as follows:

6 months to 2 years	4 weeks base pay & 2 months subsidized COBRA
3 years.....	6 weeks base pay & 2 months subsidized COBRA
4 years.....	8 weeks base pay & 3 months subsidized COBRA
5 years.....	10 weeks base pay & 3 months subsidized COBRA
6 years.....	12 weeks base pay & 3 months subsidized COBRA
7 years.....	14 weeks base pay & 3 months subsidized COBRA
8 years.....	16 weeks base pay & 3 months subsidized COBRA
9 years.....	18 weeks base pay & 3 months subsidized COBRA
10 years or more.....	20 weeks base pay & 3 months subsidized COBRA

To ensure entitlement to any or all of the severance benefits, an employee is expected to adhere to all ASC policies and procedures and to demonstrate appropriate business conduct throughout their last scheduled day of work.

If a separated employee returns to work for the ASC, any severance payment remaining will be stopped. If a separated employee returns to work with the ASC within one (1) year of their

termination date, their employment service date will be reinstated to the original date of hire. Thereafter, the employee entitlement to severance pay and subsidized COBRA will be as follows:

- i. for the first 12 months of re-employment, an employee is not entitled to severance pay or subsidized COBRA;
- ii. effective the 13th month of re-employment, an employee's severance entitlement will be one-half ($\frac{1}{2}$) the amount scheduled above for their years of continuous employment service; and
- iii. effective the 25th month of re-employment, an employee's severance pay will be fully restored to the level equal to the amount scheduled above for their years of continuous employment service.

Even if an employee is on notice of an impending layoff, the employee will not be eligible for severance benefits if the ASC determines, in their sole and exclusive discretion, that the employee was terminated by resignation (even if the employee felt compelled to resign), retirement, death, disability or discharge for poor performance, misconduct or any other reason except a reduction in force or position elimination.

An employee will not be entitled to severance benefits unless the employee satisfies all transition assistance requests of the ASC. This includes aiding in the location of files, preparing accounting records, returning ASC's property in the employee's possession or control, or repaying any monies owed to the ASC.