

Directive 354.1

6/24/93

## SEVERANCE PAY

### I. PURPOSE

This Directive sets forth AMS policy and responsibilities for awarding severance pay to individuals separating from the Agency's rolls.

### II. POLICY

\* - It is the policy of AMS to ensure that eligible separating employees receive severance pay entitlements in a prompt and effective manner; and to provide separating employees with general information on severance pay eligibility requirements, computation and payment methods, and specific entitlements. - \*

### III. REPLACEMENT HIGHLIGHTS

A. This Directive replaces AMS Directive 354.1, dated 10/23/89. Changes are marked by asterisks.

B. \* - This revision provides a summary of who is eligible for severance pay and how it is computed, - \* without fully restating Government and Department-wide regulations.

### IV. AUTHORITIES

Regulations regarding severance pay are contained in \* - 5 Code of Federal Regulations (CFR), Part 550, Subpart G; - \* Federal Personnel Manual, Chapter 550, and Supplement 990-2, Book 550; and Department Personnel Manual, Chapter 550.

### V. DEFINITIONS

A. \* - Basic severance pay allowance means the amount payable to an eligible separated employee. It is computed based on the employee's basic rate of pay, length of service, and age.

B. Inefficiency means unacceptable performance or conduct that leads to a separation.

C. Involuntary separation means a separation initiated by the Agency against an employee's will and without his or her consent for reasons other than misconduct, delinquency, or inefficiency.

D. Reasonable offer means the offer of a position that meets the criteria established in 5 CFR Subpart G, 550.703. (For further information concerning these criteria, contact Employment Policy Branch (EPB), Personnel Division, AMS.)

E. Servicing personnel office, for purposes of this Directive, applies to either of the organizational units

described below:

1. EPB is responsible for providing information, and approving and processing personnel actions and related documents, regarding severance pay for Senior Executive Service employees.
2. Human Resource Operations, Human Resources Division, Animal and Plant Health Inspection Service, Minneapolis, Minnesota, is responsible for providing information, and approving and processing personnel actions and related documents, regarding severance pay for employees at grades GS/GM-15 and below.

F. Severance pay fund means the total severance pay to which an employee is entitled during a single entitlement. - \*

## VI. ELIGIBILITY

- A. Generally, permanent full-time or part-time employees \* - with indefinite appointments and at least 12 months of continuous Federal service (no more than 3 days' break in service) - \* are entitled to severance pay if involuntarily separated from AMS. Employees hired under the Schedule C Appointment Authority are excluded.
- B. Eligibility of employees assigned to positions subject to mixed tours of duty (i.e., a combination of full-time, part-time, and intermittent) will be determined based on their tour of duty at time of separation, as reflected on their Time and Attendance Reports.
- C. Employees who meet age and service requirements for an immediate annuity upon separation from a Federal civilian retirement system or from the uniformed services are **ineligible** for severance pay.
- D. Employees who are otherwise eligible for severance pay but who have signed a mobility agreement will **not** be eligible for severance pay if separated as a result of declining to accept assignment to another commuting area, \* - or declining to accept a reasonable offer as defined in Section V.D. above. - \*

## VII. TERMINATION OF SEVERANCE PAY ENTITLEMENT

\* - Entitlement to severance pay ends when: (1) the employee is re-appointed to the Federal Government under a qualifying appointment; (2) the severance pay fund is exhausted; or (3) the employee has received the equivalent of 1 year's pay (26 biweekly pay periods). - \*

## VIII. COMPUTATION

- A. Basic severance pay allowance is computed based on the employee's basic pay, length of service, and age at time of separation. Eligible individuals receive the basic severance allowance of 1 week of pay for each year of creditable service, up to 10 years, and 2 weeks of pay for each year of service beyond 10 years.
- B. \* - Basic severance pay allowance for employees with variable work schedules or rates of pay is computed on the basis of the average rate of basic pay for the last position held during the 26 biweekly pay periods immediately preceding separation. - \*
- C. Basic severance pay allowance is augmented by an age adjustment allowance consisting of \* - 2.5 percent of the basic severance pay allowance for each full 3 months - \* of age over 40 years.

**\* - NOTE: Additional rules and regulations MUST BE used to accurately determine specific eligibility and computation entitlements. Therefore, questions should be referred through established administrative channels to the servicing personnel office. - \***

## IX. RESPONSIBILITIES

A. The servicing personnel office shall:

1. Determine eligibility for severance pay.
2. Compute the total amount of severance pay, the amount of biweekly payment, the beginning date of payments, and the number of weeks severance pay may be paid before it is exhausted.
3. Report severance pay entitlements to the National Finance Center (NFC) to initiate payments.
4. Provide eligible involuntarily separating employees with general information on severance pay eligibility requirements, computation and pay methods, and specific entitlements.
5. Notify employees in writing of the effects of reemployment on their continuing entitlement to severance pay, the need to notify the servicing personnel office of any reemployment that might affect their entitlement, and the refund liabilities.
6. Submit Form AD-343, Payroll Action Request, to NFC to stop severance payments as soon as possible after being advised by the former employee, or another Agency, of reemployment.

B. Administrative Officers shall provide the following information (with the SF-52, Request for Personnel Action, effecting the separation) to the servicing personnel office:

1. The subcenter number against which the severance pay is to be charged; and
2. A current Form AD-349, Employee Address, or Form SF-1199A, Direct Deposit Sign-Up Form, showing the employee's check mailing address.

C. Former employees receiving severance pay shall:

1. Keep their check mailing address current. \* - If the address changes, they shall notify the servicing personnel office **in writing** of the new address. - \*
2. Notify the servicing personnel office of any reemployment that might affect entitlement. If severance pay is not discontinued as required, a refund **MUST** be made.

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