

## SEVERANCE

### Purpose and Scope of the policy:

SEDL's severance policy is intended to provide qualifying staff members a period of limited support when they terminate employment with SEDL. The policy applies only in cases where SEDL is unable to continue to employ the staff member due to loss of funding or re-organization.

### Overall, the policy covers:

(a) conditions to qualify for severance; (b) the two types of severance SEDL has defined, Severance Payment and Severance Bonus, and the conditions under which each applies; (c) the calculations used in determining amount of severance; and (d) the total maximum severance benefit.

### Administrative Policy/Procedure:

It is the policy of SEDL to pay all regular employees a severance payment upon the employee's involuntary termination of employment with SEDL, subject to the following conditions:

1. The employment termination must not be a voluntary termination on the part of the employee and must be "not for cause." That is, the employee's termination must not result from any fault or misconduct on the part of the employee, but from a decision on the part of SEDL's President and CEO to eliminate the employee's position, to restructure the position, or to replace the employee in the position.
2. The employee has not been offered employment in another position with SEDL.
3. The employee has agreed to remain, and does remain, in the employment of SEDL until the separation date established by SEDL in the written notice of termination given the employee, and the employee continues to satisfactorily perform his or her duties through the separation date.
4. The employee has been continuously employed, at a minimum, as a half-time employee (percent time employed never falling below 50%) for at least two years ending with the employee's date of separation.

Upon fulfilling the above conditions, in addition to any other payments to which the employee may be entitled (e.g., accrued but unused vacation and personal leave, earned but unpaid wages), the employee will be paid a Severance Payment equal to two weeks of the employee's annual salary (one week for each of the two years employed), based upon the employee's salary as of the date of separation. The Severance Payment will be made at the next applicable payroll date. Qualifying employees who work less than full-time during the two years prior to the date of separation shall receive a pro-rated Severance Payment based on the time actually worked during the first two years of employment.

In addition to the above-described Severance Payment, SEDL may pay an additional Severance Bonus. The decision as to whether or not to pay a Severance Bonus, and the amount of any Severance Bonus, are at the sole discretion of SEDL's President and CEO. However, if a Severance Bonus is paid, it shall not exceed one weeks pay for each year, in excess of first two years, that an employee was employed with SEDL (calculated to whole months but nothing less than a month), with a total severance benefit not to exceed thirteen weeks pay (again, pro-rated for qualifying employees based on the time actually worked during this period). By way of example, if a regular full-time employee had been employed by SEDL for six years, and the decision was made to pay a Severance Bonus, the maximum amount that the employee could be offered is four additional weeks of pay (a Severance Payment of two weeks and a Severance Bonus of four weeks, for a total maximum severance benefit of six weeks). Similarly, if the employee had worked for SEDL for fifteen years, the employee could be offered a maximum Severance Bonus of eleven weeks pay (a Severance Payment of two weeks and a Severance Bonus of eleven weeks, for a total maximum severance benefit of thirteen weeks).

In awarding a Severance Bonus, in addition to the requirements for an employee to receive a Severance Payment, the employee may be asked to fulfill other terms and conditions, including but not limited to entering into a mutual release with SEDL.

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