

SECTION 4

COMPENSATION

4.09 SEVERANCE PAY

AUTHORITY: THE COLLECTIVE AGREEMENT BETWEEN THE GOVERNMENT OF P.E.I. AND THE UNION OF PUBLIC SECTOR EMPLOYEES

TERMS AND CONDITIONS OF EMPLOYMENT FOR EXCLUDED SUPERVISORY AND CONFIDENTIAL EMPLOYEES OF THE PROVINCE OF P.E.I.

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1. INTRODUCTION

- 1.0 The Collective Agreement between UPSE and the Province of PEI, as well as the Terms and Conditions of Employment for Excluded Supervisory and Confidential Employees of the Province of PEI, provides a severance pay to employees who terminate prior to becoming eligible for pension benefits.

2. APPLICATION

- 2.01 For employees covered by the UPSE Collective Agreement:

An employee with more than five (5) years continuous service shall be entitled to severance pay where the employee

- a. is terminated:
 - (i) because of layoff, or
 - (ii) on reaching age sixty-five (65) or older and is not eligible for a pension under the Prince Edward Island Public Sector Pension Plan Act or the Classified Part-Time Employees Pension Plan, or
 - (iii) under the terms of Articles 23.16(d) and 19.05, or
 - (iv) because of death.
- b. resigns because of involuntary reduction from full-time to part time employment, provided such resignation occurs during the period commencing with the notice of involuntary reduction and ending seven days following the effective date of the involuntary reduction.
- c. resigns after having been provided with a written notice of layoff.

- 2.02 For employees covered by the Terms and Conditions of Employment for Excluded Employees:

An employee with more than five (5) years of service and who has his/her employment terminated for reasons other than just cause shall be entitled to severance pay.

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3. INTERPRETATIONS

- 3.01 For interpretation of the severance pay provisions, please contact the HR Management and Labour Relations Division.

4. POLICY

- 4.01 Please refer to the Article 18 of the Collective Agreement or Section 32 of the Terms and Conditions of Employment for Excluded Employees.

5. PROCEDURES

- 5.01 The employee's department is responsible for determining the employee's eligibility to receive the payment, verifying the continuous service hours, calculating the amount payable, and ensuring that the necessary paperwork is completed by the employee. The employee's information is then forwarded to Pensions & Benefits for review and payment processing. Please see the document entitled "Procedural Guidelines for Processing Severance Payments" for a detailed overview on the procedure followed to issue the payment.
- 5.02 There are **separate processing instructions for severance payments due as a result of the death of an active employee**. Please see the document entitled "Severance Payment - Death of an Active Employee - Procedure Guidelines" for a detailed overview on the procedure followed to issue the payment.