



Subject/Title

**Employee Separation from the Workplace Policy**

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Date Effective

January 1, 2007

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Revision Date Effective

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Code Number

HR20

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Human Resources

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Responsible Key Business

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**Objective:**

To provide a framework for each Key Business Unit to consistently administer employee separation from the City's workforce, whether voluntary or involuntary. Consistent separation procedures will benefit the City and the employee, as well as help provide continuity of services to the public.

**Policy:**

1. The Key Business Units will adopt an Employee Separation Procedure ("Procedure") for each type of employee separation from the workforce, including but not limited to: service retirement, disability retirement, resignation, involuntary discharge, probational termination, long term leave, and reduction in force.
2. Key Business Units will be responsible for addressing the following activities necessary for an effective separation:
  - a. Employee's notification of impending separation;
  - b. Return and accountability for City assets;
  - c. Official separation and close out of service;
  - d. Arrangements for continuity of business.
3. Each KBE may adopt additional or more stringent guidelines or procedures that are tailored to the specific needs of that KBU.
4. The City has an expectation of recovering its assets when an employee separates from employment. Pursuant to the Procedure, each KBU will attempt recovery of assets belonging to the City that were assigned to employees as part of their job.
5. While contractors are not City employees, when a contractor discontinues work for the City for whatever reason, each KBU will follow the portion of the attached Checklist that addresses contractor separation.
6. A sample Employee Separation Checklist is attached. For ease of administration, the attached checklist may be adopted as the KBU procedure. This checklist will be periodically updated by the Human Resources Department.

**Responsibilities:**

It is the responsibility of each KBE or his/her designee to comply with this policy and its written procedures.

**Attachments:** Sample Employee Separation Checklist; End of Service and Benefits FAQ

## Employee Separation Checklist

Employee Name: \_\_\_\_\_ Date: \_\_\_\_\_

### I. PROCESS

This process should be followed when employees and contractors are separating from the organization, for whatever reason, including but not limited to: retirement, resignation, discharge, termination, layoff, or under any other circumstance by which the employee separates from the City. This procedure covers regular full and part time employees and temporary employees.

### II. NOTIFICATION

\_\_\_\_\_ **Notify KBU HR Representative:** As soon as you become aware that an employee is terminating, and/or receive a letter from an employee notifying you of the employee's intention to terminate employment, advise your KBU's human resources representative.

\_\_\_\_\_ **Official Notice:** If an employee tells you of their intention to leave your employment, ask them to write a letter that states their resignation and their termination date.

\_\_\_\_\_ **Complete Personnel Action Form & Notice of Separation:** The KBU should provide detailed information regarding reasons for separation on the personnel action form and notice of separation. Please also include the resignation letter. All of these documents are part of the official personnel file kept in the Human Resources KBU and used to defend claims of wrongful discharge and other issues. Timely input into the HR Payroll System will ensure accurate payment.

### III. BUSINESS CONTINUITY

\_\_\_\_\_ **Assign Duties:** Make arrangements for other employees to take over the outgoing employees duties to ensure business continuity.

\_\_\_\_\_ **Outgoing Messages:** Place an outgoing message on e-mail and voicemail (office and cell phones) stating the employee is no longer with the City and giving the name and contact information of the employee assuming the duties.

**Notify Your Network Administrator:** As soon as you know that an employee is leaving, notify your Network Administrator or other appropriate staff person of the date and time on which to terminate the employee's access to all electronic systems, including:

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- \_\_\_\_\_ Computer
- \_\_\_\_\_ Telephone (office and cell)
- \_\_\_\_\_ Card reader / ID badge
- \_\_\_\_\_ Parking card
- \_\_\_\_\_ Pager
- \_\_\_\_\_ Other items assigned by KBU

**IV. RETURN OF PROPERTY**

**Return of company property:** Exiting employees are required to turn in all City materials, including:

- \_\_\_\_\_ ID badges
- \_\_\_\_\_ Office & building keys
- \_\_\_\_\_ P-Card
- \_\_\_\_\_ Uniforms
- \_\_\_\_\_ Electronic devices (laptop, PDA, cell phone, camera, pager, jump drives, computers, cell phones)
- \_\_\_\_\_ Other items assigned by KBU

\_\_\_\_\_ **Return of keys (CMGC):** Employee returns key to Control Room before leaving the building. If keys are not returned, the KBU/Department will receive a DTI for the amount of the re-keying fee. Employees may be personally responsible for a replacement fee.

\_\_\_\_\_ **Disposition of employee's personal property:** If the employee has left behind any personal items, box the items and arrange for the employee to claim the items.

**V. STATUS OF BENEFITS**

\_\_\_\_\_ **Vacation pay out:** Terminating employees are paid for unused accrued vacation time.

\_\_\_\_\_ **Sick pay out:** Employees who are retiring may be eligible for a sick leave pay out.

\_\_\_\_\_ **Verify outstanding debts to the City:** Verify any outstanding debts to the City, including but not limited to travel advances, relocation payments, phone charges, and insurance arrears, and notify HR/Payroll immediately.

\_\_\_\_\_ **Give employee an application for refund of retirement contribution:** This form must be completed if the employee is seeking a refund.

\_\_\_\_\_ **Give employee benefits information:** Give employee document titled "End of Service Frequently Asked Benefits Questions." This document provides employees who are leaving service with information on: 401(k) and/or 457 Plan, flexible spending account, vision insurance, dental insurance, health insurance, life insurance, COBRA, final pay outs.

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**VI. EXIT APPOINTMENT**

\_\_\_\_\_ **Schedule exit interview (if applicable):** Exiting employees are encouraged to participate in a confidential exit interview. Schedule appointment for employee to complete exit interview survey on the last day of employment. Exit surveys are conducted through either the KBU HR representative or via an online exit survey

**VII. LONG-TERM LEAVE**

\_\_\_\_\_ **Long-term leave:** When an employee will be away from the workplace for 30 days or more (e.g., A&S, FMLA, military leave) or after an employee has been away from the workplace unexpectedly for at least 30 days, Sections Two and Three of this document may apply.

**VIII. CONTRACTORS**

\_\_\_\_\_ **Contractors:** This section pertains only to how City staff will handle the departure of a contractor. When a contractor departs, Sections Two and Three will apply. The KBU who contracted with the contractor will be responsible for following applicable separation processes.

\_\_\_\_\_ **Keys (CMGC):** If a contractor's keys are not returned to the Control Room at the end of their assignment, the KBU/Department will receive a DTI for the amount of the re-keying fee.

**IX. INTERNAL KBU PROCEDURES**

\_\_\_\_\_ **Other KBU specific procedures:**

## **Employee Separation Frequently Asked Benefits Questions**

The following is a list of the most frequently asked questions regarding benefits when someone leaves City employment. This brochure is not meant to be a full explanation of benefits, but a starting point. If you have more detailed questions, feel free to contact the Human Resources Benefits Unit at 704-336-2285, or at the websites set out below.

### **Will I lose my health and prescription insurance?**

City funded health and prescription insurance for you and any covered dependents ends on the last day of employment. You have the option of continuing health and prescription insurance for you and your dependents by taking COBRA coverage. COBRA continues you and your dependents health care and prescription coverage. But you will have to pay the full cost instead of the City paying a portion. A letter will be sent to you giving you the option of taking the COBRA health care coverage. COBRA coverage will typically last 18 months unless particular circumstances exist as defined in COBRA law. Employees leaving employment due to gross misconduct are not eligible for COBRA coverage.

### **What will happen to my retirement money?**

Local Government Employees Retirement System – If you have vested in the system, you may leave your funds in the Retirement System. Vesting occurs after five years of contributing membership to the North Carolina Local Governmental Employees' Retirement System. You may also get a refund of the money, subject to taxes and penalties. To get a refund, you will need to complete State Retirement System Form 5. You can get this from your Payroll Representative. Other information is available at the North Carolina Local Governmental Employees' Retirement System website at: [www.treasurer.state.nc.us](http://www.treasurer.state.nc.us).

457 Deferred Compensation Program – You have three options. First, you may leave your money in the program for continued investment. Secondly, you may roll it over to a new deferred compensation program. Finally, you may get a refund of your money, but will have to pay taxes on the distribution.

401(k) Deferred Compensation Program – You have three options. First, you may leave your money in the program for continued investment. Or you may roll it over to a new deferred compensation program. Rolling over from one deferred compensation program to the other avoids paying a penalty. Finally, you may get a refund of your money, but will have to pay taxes and penalties.

### **What will happen to the money in my flex spending account?**

You can get reimbursed for health care treatments and dependent costs that happened before your last day of work. Money in the account that is not used will not be refunded to you.

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*Does my dental and vision insurance end when I leave my job?*

Both dental and vision insurance end on your last day of work. But, you can get COBRA coverage for dental insurance. See the explanation of COBRA coverage under the health insurance question above.

*When will I receive my final pay?*

The request for your final paycheck or direct deposit advice will be processed within one week after your last day of employment. Your vacation payout, if any, will be processed one week later. If you owe the City any money (unreturned property, travel advances, etc.), the amounts may be deducted from your final pay and the vacation payout, in accordance with the provisions set forth in the Fair Labor Standards Act (FLSA).

*What will happen to my Life Insurance?*

All life insurance coverage ends on your last date of employment. You may convert your basic life insurance to an individual policy within 31 days of your last date of employment. If you have Supplemental Life insurance, you may be able to continue coverage under the portability provision. You can get the conversion and/or portability forms from your payroll representative or through CNET.

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