HUMAN RESOURCES

Benefits at Separation

I. Separation Benefits

A. Employees who retire or terminate employment with Prince William County Public Schools (PWCS) and have performed their duties in a satisfactory manner are entitled to separation benefits.

B. An employee is not eligible for separation benefits if one of the following apply:
   1. The employee is on an approved leave without pay status (e.g., educational, parental, military, etc.)
   2. The employee has been terminated due to unsatisfactory performance.

C. Separation benefits may be compensated in three ways:
   1. Separation leave for those employees who were vested in the program prior to June 30, 1991, and meet the eligibility requirements for separation leave per the provisions outlined in Section IV of this regulation;
   2. Separation pay for those employees who have accrued unused sick and/or annual leave who are not eligible for separation leave; for those employees who are eligible for separation leave and have accrued additional leave on or after July 1, 1991; or for those employees who elect to forfeit separation leave benefits for separation pay benefits;
   3. Employer health insurance premium contributions for retiring employees who are eligible and elect to participate in the Retiree Health Insurance Premium Plan per the provisions of this regulation.

D. Employees choosing to be compensated in a lump sum payment for eligible leave per this regulation will be taxed in accordance with the applicable State and Federal tax laws.

II. Separation Pay

A. Employees who are not eligible for or who forfeit separation leave Regulation 545-1 for separation pay, or are vested in separation leave but have accrued additional leave on or after July 1, 1991, will be compensated in the form of separation pay.
B. Separation pay formula:

1. **Sick Leave**: Unused sick leave will be compensated at the rate of 10 percent of the employee's per diem or hourly rate at the time of separation.

2. **Annual Leave**: Unused annual leave up to the maximum allowed per Regulation 542.01-1, Annual Leave will be reimbursed as pay at 100 percent of the employee's per diem at the time of separation.

3. **Manager's Longevity Credit**: Manager's longevity credit earned on or before June 30, 1991, for which the manager was eligible may be compensated at the rate of 100 percent of the manager's per diem at the time of separation.

C. Separation Pay Out Options:

1. **Lump Sum Payment**: At time of separation an employee’s unused sick leave and annual leave are calculated as follows: unused sick leave calculated at 10 percent of the employee’s per diem and if eligible unused annual leave at 100 percent of the employee’s per diem.

2. **Supplemental Retirement Rollover**: At time of separation employee may choose to have the unused sick leave compensated at 10 percent of the employee’s per diem and if eligible unused annual leave at 100 percent of the employee’s per diem rolled into the PWCS Supplemental Retirement Plan up to the maximum allowable employee limits.

3. **Combination Lump Sum and Rollover**: At time of separation employee may choose to take a portion of the unused sick leave and if eligible unused annual leave as a lump sum payment and the remainder to roll into the PWCS Supplemental Retirement Plan up to the maximum allowable employee limits.

4. **Retiree Health Insurance Premium**: At time of separation employee chooses to use their unused sick leave towards premiums of health insurance per Section IV, B. Any remainder of funds after applied to health insurance premium will be eligible to lump sum payout or for rollover to the PWCS Supplemental Retirement Plan up to the maximum allowable employee limits.

5. If an employee is rolling over funds to the PWCS Supplemental Retirement plan no additional matching funds will be provided.
III. Retiree Health Insurance Premium Plan

A. Retiring full-time and part-time employees may purchase health insurance at 100 percent of the cost of the premium if they meet the following eligibility requirements:

1. Employee meets the definition of a Virginia Retirement Service (VRS) retiree and has activated retirement and is receiving monthly payments.

2. Employee is under the age of Medicare eligibility.

3. The retiring employee is enrolled in PWCS’ group health insurance plan for a minimum of two years prior to retirement.

4. The retiring employee does not participate or is not eligible to participate in the option to exchange accrued, unused sick leave for an employer contribution to offset the cost of the retiree health insurance premium.

5. If the retired employee terminates their VRS monthly benefit to become a fulltime employee for another VRS employer their retiree medical coverage through PWCS will cease.

6. Employee may not re-enroll upon cancellation of retiree health plan.

7. Employee must have been employed with PWCS for a minimum of ten years.

B. Retiring full-time employees, have the option to exchange their accrued, unused sick leave for an employer contribution to offset the cost of retiree health insurance premium if they meet the following eligibility requirements:

1. The retiring employee is between the ages of 55 and the date which they become Medicare eligible;

2. The retiring employee is enrolled in PWCS’ group health insurance plan for a minimum of two years prior to retirement;

3. The retiring employee meets the service requirements to participate in the Retirement Opportunity Program per the provisions of Regulation 555.05-1 and;

4. The retiring employee has a minimum of 125 days of accrued sick leave.
C. The formula for the established employer premium contribution shall be a percentage of the amount contributed toward the cost of the health insurance premiums for active employees.

D. The percentage of the employer contribution shall be determined by the number of accrued sick leave days that are exchanged per the following conversion table:

<table>
<thead>
<tr>
<th>Sick Leave Days Exchanged</th>
<th>Employer Contribution*</th>
</tr>
</thead>
<tbody>
<tr>
<td>125</td>
<td>25 percent</td>
</tr>
<tr>
<td>175</td>
<td>50 percent</td>
</tr>
<tr>
<td>225</td>
<td>75 percent</td>
</tr>
<tr>
<td>275</td>
<td>100 percent</td>
</tr>
</tbody>
</table>

*percent of employer contribution for active employees

E. The percent of premium contribution that is established at the commencement of retirement will not change, however; the dollar amount of the employer contribution will change when there is an increase or decrease in premium.

F. Sick leave days that are in excess of the maximum number needed for a premium contribution percent and/or not enough to qualify for the next higher contribution percent shall be compensated per the provisions of separation leave and/or separation pay as specified in this regulation.

G. Eligible retirees who elect to exchange sick leave for an employer monthly premium contribution are entitled to receive the employer contribution until they are no longer enrolled or covered under the PWCS’s group health insurance plan.

H. Participation in the retiree health insurance premium contribution plan is optional. Retiring employees may choose to be compensated for unused sick leave for which they qualify per the provisions of separation leave and/or separation pay as specified above.
I. Retiring employees choosing to be either compensated for unused sick leave or who elect to exchange their sick leave will be taxed as if they received a cash payout per Section III, B, 1.

IV. Separation Leave

A. Eligibility

1. If the following conditions were met by the employee on June 30, 1991, the employee may convert applicable, unused leave that was earned on or before June 30, 1991, to separation leave benefits:

   a. The employee had at least fifteen years of continuous service with PWCS or was at least age 55 on or before September 1, 1991.

   b. The employee had at least 40 days of converted separation leave on June 30, 1991.

2. Unused sick leave and the manager's longevity credit earned on or before June 30, 1991, can be used as separation leave. Any accrued annual leave up to the maximums allowed per Regulation 542.01, Annual Leave may be used as separation leave.

3. An employee vested in separation leave must complete the final work or contract year that immediately precedes the commencement of separation leave to be eligible to receive separation leave benefits. If an employee vested in separation leave separates from the School Division prior to the completion of their final work or contract year, separation leave benefits shall be forfeited and separation pay benefits will apply.

4. An employee who is eligible and vested in separation leave must complete the Application for Separation Leave (attachment). The completed application should be submitted to the Office of Benefits & Retirement Services 60-90 days prior to the employee’s last work day in their final work or contract year. An employee may withdraw the separation leave application at any time prior to the commencement of the benefit. (See attached request form.)

5. An employee eligible for the Retirement Opportunity Program (ROP) with a retirement date of February 1 or later will commence ROP on July 1 following their retirement.
B. Formula

1. When an employee vested in separation leave completes his/her final work or contract year and then separates from service, the employee’s vested unused leave may be converted to separation leave.

2. Separation leave formula:
   
a. **Sick Leave**: Vested employees may convert their unused sick leave earned as of June 30, 1991, to separation leave. Sick leave days transferred from other school divisions cannot be converted to separation leave.

   For the first 90 eligible sick leave days, two days are equal to one day of separation leave.

   For the next 30 eligible sick leave days, three days are equal to one day of separation leave.

   For the remaining eligible sick leave days, four days are equal to one day of separation leave.

b. **Annual Leave**: A maximum number of annual leave days per Regulation 542.01-1, Annual Leave, may be converted to separation leave using the amount carried forward from the previous year plus the prorated amount earned up to the maximum allowed through the last working day prior to the commencement of separation leave.

   Each annual leave day equals one day of separation leave.

c. **Manager's Longevity Credit**: The number of days of a manager's longevity credit earned on or before June 30, 1991, for which the manager was eligible may be converted to separation leave.

   Each eligible year of service over 10 but less than 16 will be equal to one-half day of separation leave.

   Each eligible year of service 16 or over will be equal to one day of separation leave.
Less than a full year will receive prorated credit based on the number of contract days actually served up to the date of separation as a manager.

An employee must have served at least five (5) years as a manager in order to be eligible for this benefit.

A manager who previously received this benefit as a payment and subsequently returned to a management position shall become eligible for the separation leave credit only if the manager reimbursed the School Board the full amount of the previous payment within one year of the manager's return to management.

A manager no longer earns longevity credit on or after July 1, 1991.

V. Separation Leave Conditions

A. Employees on separation leave will continue to participate in the Virginia Retirement System (VRS), Group Life Insurance, Social Security, Medical, Dental, Vision, and the Supplemental Retirement Plan.

B. Managers electing separation leave are not eligible for other benefits, such as membership in professional organizations, conference funds, etc. If while on separation leave the manager is hired by another employer for a VRS covered position the employee’s separation leave will be considered null and void.

C. During the period of separation leave, employees will earn no additional leave credits of any kind nor will they be eligible for sick leave bank and disability benefits provided by PWCS.

D. Employees who work less than a year-round contract but are paid over 12 months will not commence separation leave until the date the employee would have started their next work or contract year had they continued working.

E. Should the death of an employee electing separation leave occur prior to the anticipated beginning date of separation leave, this benefit will be rendered null and void and the qualifying heir or estate will receive separation pay for the accrued leave as detailed in the governing regulations. Should the death of an employee electing separation leave occur following the commencement of this leave, the qualifying heir or estate will receive the balance of the separation leave benefit in a lump-sum payment.
F. If an employee becomes ill or needs to use additional leave days following approval of the application for separation leave and prior to the commencement of separation leave, the leave taken must be without pay or the employee may elect to withdraw the application for separation leave. The leave days remaining will be paid on a lump-sum basis at the time of separation.

The provisions in this regulation are contingent upon the availability of funds.

The Associate Superintendent for Human Resources (or designee) is responsible for the implementation and monitoring of this regulation.

The Associate Superintendent for Human Resources (or designee) is responsible for review of this regulation in 2017.
APPLICATION FOR SEPARATION LEAVE

NAME ___________________  SSN ___________________  LOCATION ___________________

Please refer to Regulation 545-1 for the terms and conditions governing Separation Leave.

Employees who had at least 15-years service or were age 55 by September 1, 1991, who had a balance of at least 40 days of separation leave on June 30, 1991, and who complete their final work or contract year immediately preceding the commencement of separation leave qualify for this benefit.

All sick and annual leave earned as of June 30, 1991, and not used prior to your date of separation will be credited toward separation leave. Sick leave earned after June 30, 1991, will be paid at 10 percent of your per diem rate. Any annual leave will be paid at 100 percent per diem or may be taken as leave prior to last day worked. Payment for leave earned after June 30, 1991, will be requested by submitting the appropriate applications from your exit packet. An exit packet will be sent to you after you have submitted your letter of resignation to the Director of Human Resources.

This application for separation leave must be completed and should be submitted to the Office of Benefits & Retirement Services at least 60 to 90 calendar days prior to the last work day in your final work or contract year immediately preceding the commencement of separation leave.

Once approved, you will receive a summary statement showing computations and dates of your separation leave.

DATE OF LAST WORKING DAY: ___________________________________________

DATE OF RETIREMENT (if applicable): ___________________________________

ADDRESS CHANGE (if applicable): ______________________________________

I have read and understand Regulation 545-1 governing Separation Leave and agree to the terms contained therein.

________________________________________  ______________________________
Signature of Employee  Date of Application