

North Dakota State University

Policy Manual

SECTION 182 SEVERANCE PAY POLICY

SOURCE: SBHE Policy Manual, Section 707

Subject to the following provisions, institutions and the university system office may provide severance pay to an employee who is released due to a reduction in force.

1. The maximum payment is the equivalent of the individual's salary and benefits (retirement and health) for two weeks per completed year of service, up to a maximum of one year of salary and benefits.
2. The number of employees in the institution, agency, or entity must be reduced by one for each individual awarded severance pay.
3. Employees may not receive severance pay if they are awarded early retirement, developmental leave, or other forms of special compensation when they leave.
4. Employees receiving severance pay must release the institution from liability and all employment rights by written agreement.
5. The severance pay agreement with an employee must provide that the employee shall reimburse the institution on a pro-rata basis if salary compensation is received from another North Dakota state agency or institution for services rendered during the time for which severance pay was received. The amount to be reimbursed shall be equal to the hourly rate of severance compensation or subsequent state compensation, whichever is less, multiplied by the number of hours of subsequent state employment during the severance pay period.

In addition to severance pay and consistent with N.D.C.C. § 54-14-04.3, institutions and the system office may provide financial incentives to encourage an employee to retire or resign if the employee's departure will increase efficiencies or reduce expenses.

For Faculty reductions in force/non-renewals, see NDSU policy 350.3. For banded staff reductions in force, see NDSU policy 223. For non-banded staff reductions in force/non-renewals, see NDSU policy 183.

HISTORY:

New	May 22, 1987
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