

SUL ROSS STATE UNIVERSITY

A Member of the Texas State University System

SRSU Policy: Employee Payroll Consideration Upon Separation Policy

SRSU Policy ID: APM 5.06

Policy Reviewed by: Director of Human Resources

Approval Authority: Vice President for Finance and Operations

Approval Date: January 24, 2017

Next Review Date: January 24, 2022

The Human Resources Representative will discuss the following with each employee prior to separation from the University:

- A. If separation from the University is voluntary, a written statement from the employee indicating his/her desire to separate from the University should be given to the employee's immediate supervisor with a copy to Human Resources. The letter of resignation should indicate the person's desire to resign or retire, should include the effective date of termination, and should be signed by the employee. It is standard business practice that employees present their written statement of resignation two full weeks prior to their last working day, exclusive of vacation.
- B. Where possible, it is important that an exit interview be conducted with the separating employee by a Human Resources Representative. At that time, the employee should indicate to a Human Resources Representative his/her desires relative to accumulated annual leave, medical coverage, termination or conversion of insurance, and decisions relative to retirement and annuity programs.
- C. A State employee who resigns, is dismissed, or is separated is entitled to be paid in a lump sum for all accrued vacation time at the time of separation, provided the employee has had continuous employment with the State for six (6) months and the individual has not been re-employed by a state agency which grants vacation time.
- D. If vacation time is taken, retirement contributions must be made as the employee is still considered a State employee until the termination date. If a lump sum payment is made for annual leave, no retirement contributions will be made for salary paid for accrued vacation. Please note that a lump sum payment to an employee constitutes wages for social security purposes and is subject to federal withholding.
- E. Longevity or hazardous duty pay will be continued for any eligible employee as long as the individual is considered an employee of the State. The last payment

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for longevity or hazardous duty will be made for the month during which the termination date occurs.

- F. Insurance coverage ends on the last day of the month in which employment ends. Medical or medical plus dental insurance coverage may be continued for any participating employee or dependent at the time coverage ends. Application to continue coverage must be made within 60 days from the end of coverage. Continued coverage may be up to 18 months following separation as provided by the regulations of the Consolidated Omnibus Budget Reconciliation Act (COBRA). Detailed information concerning insurance continuation is mailed to the employee's home address by the Employees' Retirement System of Texas.
- G. Lump sum payment for accrued vacation time for the University employee shall be computed as though the employee actually worked that time. Any State holiday which may fall within the pay period should not be charged against accrued vacation time. Payment for lump sum shall be computed at a rate per hour obtained by dividing the annual base salary by the number of working hours in a year. Hourly employees who are paid normally on an hourly basis will be paid at the same hourly rate.
- H. For employees who have voluntarily terminated their employment with the University, final paychecks may be obtained on the next regular payday.
- I. Employees must complete a sign-out procedure and clearance report with a Human Resources Representative before release of their final check will be authorized. Employees may have their pay direct deposited or have their checks mailed to their designated address.
- J. It is important that a separating employee work with a Human Resources Representative in determining how to handle the separation. Consideration should be given to retirement benefits, medical benefits, pay benefits, as well as accrued vacation. If an employee is transferring to another State agency, it is important that proper documentation and other legal considerations to protect the employee's benefits be followed.