

	TERMINATION OF EMPLOYMENT	Human Resource Manual
Severance Pay NEU Bargaining Unit	Section 1808 (a)	

NEU BARGAINING UNIT EMPLOYEES

PURPOSE

1. Unionized employees have the right to defined severance arrangements on termination of employment.

APPLICATION

2. This applies to all employees of the Government of Nunavut represented by the Nunavut Employees Union (NEU).

DEFINITION

3. **Continuous Service** and **Continuous Employment** includes:
 - (1) Uninterrupted employment with the Government of Nunavut.
 - (2) Uninterrupted employment with the Government of the Northwest Territories provided that the employee was employed in the public service on April 1, 1999.
 - (3) Prior employment of an employee who was laid off and reappointed to a position in the public service.
 - (4) Where an employee, other than a casual ceases to be employed for a reason other than dismissal, abandonment of position or rejection on probation, and is re-employed within a period of three months, his/her period of employment for purposes of severance pay shall be considered as continuous.

PROVISIONS

Severance on Lay-Off

4. An employee who has one year or more of continuous employment and who is laid off is entitled to severance pay. An employee may choose from the following options:
 - (1) Separation Assistance: two weeks pay per year for the first ten complete years of continuous employment and three weeks pay for each succeeding complete year of continuous employment. The total amount of severance pay which may be paid under this option

**TERMINATION OF EMPLOYMENT****Human Resource Manual****Severance Pay NEU Bargaining Unit****Section 1808 (a)**

shall not exceed 65 weeks of pay. In the case of a partial year of employment, the weekly rate of pay will be multiplied by the calendar days of continuous employment in the year prior to layoff, divided by 365.

- (2) **Severance Priority:** two weeks pay per year for the first complete year of continuous employment, two weeks pay for the second complete year of continuous employment and one week of pay for each succeeding complete year of continuous employment. The total amount of severance pay which may be paid under this option shall not exceed 28 weeks of pay. In the case of a partial year of employment, the weekly rate of pay will be multiplied by the calendar days of continuous employment in the year prior to layoff, divided by 365. Employees are also provided priority staffing for one year from the last day of the lay-off notice period.
- (3) **Retraining:** during the three month notice period, the employee is eligible for this option if:
 - the employee has three years of continuous employment;
 - there is a specific vacant position or anticipated vacancy for which no other lay-off qualifies and the employee may become qualified with retraining; and
 - the employee and the Employer agree that the retraining can be completed within 12 consecutive months.
- (4) **Education Assistance:** the employee may be eligible for this option if:
 - the employee has three years of continuous employment;
 - the proposed program of study relates to positions within the Government; and
 - proof of acceptance into an education program is provided.
- (5) **Education assistance** provides an employee with 80% of current salary for a period of up to 12 months.

**TERMINATION OF EMPLOYMENT****Human Resource Manual****Severance Pay NEU Bargaining Unit****Section 1808 (a)**

5. If an employee is laid off for a second or subsequent time, severance pay calculations are discounted by the number of complete years of continuous employment for which severance was previously paid. In the case of a partial year of employment, the weekly rate of pay will be multiplied by the calendar days of continuous employment in the year prior to layoff, divided by 365.
6. In the case of a term employee who is laid off, the value of the severance entitlement shall not exceed the pay equal to the remainder of the term.

Severance on Resignation

7. An employee on strength as at September 1, 1995 who resigns after four years of continuous employment is entitled to be paid severance pay. Severance pay is calculated according to the formula below to a maximum of 13 weeks pay:
 - Weekly rate of pay on termination times the number of completed years of continuous employment less any period of time for which severance was previously paid. This figure is divided by two.

Severance on Retirement or death

8. An employee on strength as at September 1, 1995 who retires from the Public Service is entitled to be paid severance pay calculated in accordance with the formula below.
 - Weekly rate of pay on termination times the number of years of service to a maximum of 30 years less any severance entitlement previously paid.

Severance on Termination for Health Reasons

9. An employee is entitled to be paid severance pay when termination results from incapacity to perform duties because of acceptable medically supported chronic poor health. Severance pay is calculated according to the formula below.
 - Weekly rate of pay on termination times the number of years of service to a maximum of 30 years less any severance entitlement previously paid. In the case of a partial year of continuous employment, the weekly rate of pay will be multiplied by the calendar days of continuous employment in the year prior to termination divided by 365.



TERMINATION OF EMPLOYMENT

Human Resource Manual

Severance Pay NEU Bargaining Unit

Section 1808 (a)

10. Upon notification of termination, the Compensation and Benefits Division assesses that employee's entitlement for severance pay and initiates appropriate pay action.
11. If the employee is being laid off and chooses Separation Assistance they can only receive the benefit in either annual installments or bi-weekly payments. The benefit cannot be received as a combination of both bi-weekly payments and annual installments.

AUTHORITIES AND REFERENCES

12. Main Collective Agreement with the NEU
Article 2.01(e), Continuous Employment and Continuous Service
Article 30, Severance Pay

CONTACTS

13. For further information or clarification, please contact:

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