 TERMINATION OF EMPLOYMENT	Human Resource Manual
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SEVERANCE PAY EXCLUDED EMPLOYEES AND SENIOR MANAGERS

PURPOSE


1. Excluded and Senior Management employees have the right to defined severance entitlements on the termination of their employment.

APPLICATION

2. This applies to all senior management and excluded employees in the Government of Nunavut.

DEFINITION

3. **Continuous Service** and **Continuous Employment** include:
 - (1) Uninterrupted employment with the Government of Nunavut .
 - (2) Prior service within the public service of the Government of the Northwest Territories or Canada if the employee was hired or transferred before June 20, 1972 or transferred within three months of terminating employment.
 - (3) Service prior to April 1, 1999 with the municipalities and hamlets of Nunavut if the employee was hired or transferred within three months and was not in receipt of severance for service prior to April 1, 1999.
 - (4) If the employee is re-appointed after being laid-off, employment in the position held at the time of lay-off and employment in the position to which the employee is re-appointed, if the lay-off was after April 1, 1970.
 - (5) If the employee was re-employed by the Government of Nunavut within three months following the termination of employment. This does not apply if the employee was dismissed, abandoned their position or rejected on probation.

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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 shall not exceed 65 weeks of pay.
 - (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. 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;



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- the proposed program of study relates to positions within the Government; and
 - proof of acceptance into an education program is provided.
- (5) Education assistance is calculated at 80% of the employee's current salary for a period of up to 12 months.
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.

Severance on Resignation

6. An employee who has ten or more years of continuous employment and gives no less than two months notice, or any shorter period as the Employer may agree, of an intention to resign is entitled to be paid severance pay, if the termination is for reasons other than layoff abandonment of position, rejection on probation or dismissal to a maximum of 13 weeks pay. The entitlement is outlined below:
- 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 to a maximum of 26 weeks.


Severance on Retirement

Employees on strength as at December 31, 1994

7. An employee who retires from the public service has the following entitlement to severance pay:
- An amount equal to the weekly rate of pay on termination times the number of years of service, minus any period for which severance was previously paid. The maximum entitlement is 30 weeks.

Employees taken on strength on or after January 1, 1995

8. An employee who has ten or more years of continuous service and gives no less than two months notice, or any shorter period as the Employer may agree, of an intention to retire from the public service is entitled to be paid severance pay. Severance pay is calculated as follows:

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- 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 and the maximum payment is based on 26 weeks.

Severance when Termination is for Health Reasons

9. An employee whose employment is terminated as a result of a recommendation made to the Employer that the employee was incapable of performing his/her duties because of chronically poor health will be entitled to severance pay as follows:


- Severance pay equal to the product obtained by multiplying his/her weekly rate of pay on termination of employment by the number of completed years of his/her continuous employment to a maximum of thirty (30), less any period of continuous employment in respect of which severance pay was previously granted. 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.
- When employment is terminated for health reasons the employee shall have the right to waive his/her entitlement to severance pay and, in lieu thereof, be granted an equivalent period of leave with pay.

Severance in the Event of Death

Employees taken on strength on or after January 1, 1995

10. In the event of death, an employee's estate is entitled to be paid severance pay earned up to and including the date of that employee's death, if the employee has ten or more years of continuous service as defined in Section 1808 (a) Paragraph 3, Definition. Severance pay is paid to the employee's estate according to the following formula:

- 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 and the maximum payment is based on 26 weeks.

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11. An employee's estate retains the previous entitlement to severance pay in the event of death, in lieu of the benefit as described in #9 above. An employee's estate shall be paid severance pay earned up to and including the date of that employee's death. Severance pay, calculated by the formula below, is paid to the employee's estate as follows:
 - An amount equal to the weekly rate of pay on termination times the number of years of service, minus any period for which severance was previously paid. The maximum entitlement is 30 weeks.
12. Upon notification of termination, the Compensation and Benefits Division assesses that employee's entitlement for severance pay in consultation with the employing department and begins appropriate pay action.
13. 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

14. Senior Managers' Handbook
Definitions
Severance Pay
15. Excluded Employees' Handbook
Definitions
Severance Pay

CONTACTS

16. For further information or clarification, please contact:

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