

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Human Resources Policy E-3
Separation of Employment

SUBJECT: Separation of Employment

PURPOSE: To provide a standard procedure to ensure that all faculty, staff and insurance eligible student employees are properly separated from Sam Houston State University upon separation of employment (i.e., resignation, discharge, retirement, completion of temporary assignment or layoff).

POLICY: It is the policy of Sam Houston State University that separating employees be properly cleared and checked-out from the University to assure proper settlement of wages, benefits, and related matters. All personnel actions are reviewed to ensure Equal Employment Opportunity (EEO) compliance.

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1. Procedure

- a. Employees should notify their supervisor at the earliest practical time when separating employment with the University.
- b. As soon as it is known that an employee is separating, a Payroll Action Form (PAF) must be prepared in the employee's department and forwarded through the administrative channels to the Human Resources Department. Failure to process the PAF timely may result in overpayment of wages, use of non-eligible insurance benefits, or delay in initiating retirement pay.
- c. The Department Head should telephonically notify Human Resources and Payroll regarding employees that leave without notice, especially when they are on an automatic, non-delay pay basis. Failure of notification may result in an overpayment of wages that cannot be recovered by the department, especially when the separation is in the middle of a pay period and/or the employee has not worked or been on leave during their last pay period.
- d. Temporary employees appointed for at least half-time (.50 FTE) and for a period of 4 ½ months or at least one long semester, should be separated with a PAF even though their appointment has expired. The PAF will initiate the steps in the separation process.

2. Benefits Eligible Employees

- a. Benefits eligible employees will be sent an employee separation packet from the Human Resources Department after notification from the department of the employee's separation.
- b. The employee separation packet will contain the procedures for a proper exit and benefits information, such as insurance in accordance with the COBRA Act, Teachers Retirement System (TRS), and Optional Retirement Program (ORP) information if applicable.
 - (1) The employee is responsible for clearing all matters such as returning equipment, keys, uniform(s), telephone cards, travel credit cards, and paying outstanding obligations, e.g.,

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parking tickets, debts, library book/fines, etc. The employee should contact the appropriate departments (Physical Plant, Public Safety Services, Newton Gresham Library, Student Financial Services/Bursar's Office, etc.) directly regarding these matters before leaving the University.

- (2) In the mutual interest of both the employee and the University, the separation packet will include an Exit Interview Questionnaire. This form is voluntary.
- (3) See attached Employee Separation Letter and Exit Interview Questionnaire.

3. Retiring Employees

a. Employees should start paperwork for retirement at the beginning of the semester they plan to retire or at least ninety (90) days in advance. Contact the Human Resources Department for counseling, specific documents, forms, and procedures required by the University and State retirement and insurance programs.

- (1) Teacher Retirement System (TRS) participants are eligible for retirement at age 55 with at least five (5) years creditable service.
- (2) The Optional Retirement Program (ORP) participants are eligible for retirement at age 55 if vested.
- (3) Retiree group insurance information is available through the Employees Retirement System webpage. Contact your Human Resources representative regarding retiree insurance eligibility. **Note:** *If you anticipate enrolling in retiree group insurance as an ORP retiree now or at a later date, you should refrain from withdrawing all ORP funds as this could affect insurance eligibility.*

b. Faculty Early Retirement Program participants, in addition to coordinating retirement forms through Human Resources, must also follow the procedures outlined in Academic Policy Statement 840901, Early Retirement Program for University Faculty.

4. Return to Work Retirees

a. A return to work retiree must have at least one (1) full calendar month break in service before being eligible to return to work in higher education and retain the benefits (access retirement funds, etc.) of a retiree status.

b. Break in Service Definition -- A period following a participant's termination of all employment with all Texas public institutions of higher education or the Board that is at least one (1) full calendar month in which no ORP/TRS contribution is made, excluding the three (3) summer months for faculty members who were participating in ORP/TRS at the end of the spring semester immediately preceding the summer and who resume ORP/TRS participation with the same or another Texas public institution of higher education in the fall semester immediately following that summer, and excluding periods of leave-without-pay. A transfer between Texas public institutions of higher education with less than a full calendar month in which no ORP/TRS contribution is made shall not be considered a break in service.

c. Return to work retirees who retire after June 1, 2005, and then later return to work on or after September 1, 2005 lose their eligibility for longevity pay, and will accrue vacation, if eligible, based upon state service since their hire date but are not required to re-establish the six-month's continuous service requirement in order to take vacation with pay.

5. Leave Accruals

a. Vacation Leave --- An employee who separates employment shall be entitled to be paid for all their unused balance of vacation at the time of separation provided the employee has had continuous employment with the state of Texas for six (6) months; and is not directly transferring

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to another Texas state agency into a position which accrues vacation time within a period of thirty (30) calendar days from the date of separation.

- b. Sick Leave --- Accumulated sick leave shall not constitute claim for reimbursement when an employee leaves the employment of the University. However, an employee separated from employment with the state under a formal reduction-in-force shall have their sick leave balance restored if re-employed by the state within twelve (12) months of termination; an employee separated for other reasons shall also have their sick leave balance restored if re-employed by the state within twelve (12) months of termination, and provided there has been a break in service of at least thirty (30) calendar days since termination if re-employed by the same state agency.

Reviewed by: David M. Hammonds, Associate VP for Human Resources & Risk Management-05/06/2011
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