

**CITY OF TRAVERSE CITY
OFFICE OF THE CITY MANAGER
PERSONNEL POLICY NO. 216P**

TITLE: SEPARATION ALLOWANCE PLAN
DEPTS. AFFECTED: ADMINISTRATIVE, CONFIDENTIAL AND TECHNICAL
(A.C.T.) GROUP
EFFECTIVE DATE: JULY 2012

PURPOSE: The changing needs of the City may require changes or reductions in the administrative and technical workforce, either through permanent layoffs, employer-requested separations or early retirement. This policy establishes a uniform method of providing a period of financial security to eligible employees while they are seeking new employment.

ELIGIBILITY:

This Plan is applicable only to Administrative, Confidential and Technical (ACT) employees who are permanently laid off, or whose separation or early retirement is employer requested. For the purposes of this Plan, a permanent layoff is defined as one in which there is no reasonable expectation that the employee's services will be required for a period in excess of 60 days following the layoff.

It has no reference to nor does it apply to ACT employees who are discharged for disciplinary reasons, or who leave City service voluntarily. To be eligible, an ACT employee must be:

1. A regular hourly or salaried employee.
2. Separated from active service.
3. Have completed at least five full years of active service.

Employees will not be eligible for Separation Allowance under the Plan if they:

1. Are part-time, irregular part-time, temporary or seasonal employees.
2. Are discharged for disciplinary reasons.
3. Retired under the Michigan Municipal Employees Retirement System (MERS).
4. Have refused a job offer from the City prior to separation which would provide a base salary equivalent to 75% or more of the base salary on which Separation Allowance is computed under this policy.

PROCEDURE:

Separation Allowance Payments: Separation Allowance Payment will be paid following separation from employment in a lump sum less all legal deductions required by federal, state and local laws and regulations. The lump sum payment will, in addition, include pay for all accrued and unused earned vacation, personal days and short term leave (STL) in addition to 50% of all accrued and unused sick leave to a maximum accrual of 120 days (60 days paid).

Years of service will be computed as full years of service only, and will be calculated to the last anniversary of latest day of hire. Salary will include base salary only, exclusive of shift premiums, overtime premiums, incentive compensation or any other addition to base monthly salary.

For employees with 457 Deferred Compensation Plans, separation allowance payments will not be eligible for the City match.

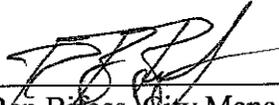
Employees who have completed five or more full years of service will be eligible for one (1) weeks salary for each full year worked up to a maximum of fifteen (15) weeks.

Eligible employees per above shall have their health, dental and vision insurance premiums only paid by the Employer for three months following the employee's layoff, or whose separation or early retirement is employer requested. COBRA extension will continue benefits at the employee's option thereafter for the prescribed period of time allowed under the regulations.

Employees who are reinstated by the City prior to one full year from date of separation will only receive a separation allowance, for any future separation, beginning from the date of reinstatement.

APPROVALS:

No one will implement this policy except as specifically directed by the City Manager.



R. Ben Bifoss, City Manager

History: Separation Allowance – ACT Employee Handbook Filing #175;
Supersedes Personnel Policy 216P dated July 2011