

POLICY TITLE: SEVERANCE
POLICY NUMBER: 3910

COMMITTEE APPROVAL DATE: 12/09/2022 **WRITTEN/REVISED BY:** HUMAN RESOURCES
BOARD APPROVAL DATE: 01/25/2023 **SUPERSEDES:** 11/28/2018

POLICY:

3910 It is the policy of the Beach Cities Health District (“District”) to establish the District’s philosophy with respect to discretionary severance pay, and to communicate the criteria for severance pay eligibility.

SCOPE:

3910.1 This policy applies to all District employees, classified as full-time or benefit-eligible part-time (those assigned a designated work schedule that is an average minimum of 30 hours per week).

RESPONSIBILITY:

3910.2 It is the responsibility of management to understand, communicate, and enforce this policy uniformly among District employees. It is the responsibility of employees to understand the policies, guidelines, and procedures communicated by their supervisor, and to follow them accordingly. Employees must ask their supervisors if they are unclear as to its application.

CONTENTS:

3910.3 The District’s discretionary severance package is intended to assist an individual with their career transition and job search in the event that their position is eliminated due to a reduction in work force, reorganization, or by mutual agreement—as a result of a change in work direction (as determined by District management). A severance package will not apply to terminations for cause, or refusal to be reassigned.

3910.3.1 Severance Package:

The severance package will include severance pay, café dollars for health benefits, and out-placement counseling. The package will be calculated as follows:

3910.3.1.1 Severance Pay

3910.3.1.1.1 Non-Exempt Position

A non-exempt employee will receive a minimum of two (2) weeks base salary, plus an additional week for each full or partial year of service—to a maximum of twelve (12) weeks. Severance payment will be made in the form of a lump sum amount, less all applicable taxes and withholdings. A partial year of service is defined as any work performed during any calendar year.

3910.3.1.1.2 Exempt Position

An exempt employee will receive a minimum of four (4) weeks base salary, plus an additional week for each full or partial year of service—to a maximum of twelve (12) weeks. Severance payment will be made in the form of a lump sum amount, less all

applicable taxes and withholdings. A partial year of service is defined as any work performed during any calendar year.

3910.3.1.1.3 Café Dollars

An employee will receive the equivalent of two (2) months of café dollars, based upon their current benefit elections, at the time of separation. Café dollars will be paid in a lump-sum amount (taxed accordingly).

3910.3.1.1.4 Outplacement Services

An employee will be eligible to receive up to two (2) months of outplacement counseling, offered through a professional outplacement firm at no cost to the employee.

3910.4 General Release from Liability:

The District is not required to provide a severance package to an employee. Any severance package offered by the District is discretionary. Therefore, the employee will be required to sign a waiver/general release from liability, in exchange for receiving a severance package. The waiver/general release will be administered according to, and comply with, applicable federal & state laws.

3910.5 Situations not covered above, and any special circumstances may be evaluated on a case-by-case basis and the granting or denial of severance pay shall be in the sole discretion of the District.

3910.5.1 In no event shall the policy be construed as giving any employee any right to be retained in the employ of the District or as limiting the District's rights in terms of the at-will termination of any covered employee's employment with the District.

3910.5.2 The District reserves the right to modify or terminate this policy at any time. All requests for severance must be reviewed and approved by the Chief Executive Officer (CEO).

EXCEPTIONS:

3910.6 The Chief Executive Officer must review and approve exceptions to this policy.