




Approved by: Juan Williams, Commissioner	Policy Number: 12-062 (Rev. 04/2021)
Signature: 	Supersedes: 12-062, 11-060, 10-024, 09-024
Application: Executive Branch Agencies, Human Resources Officers	Effective Date: August 1, 2014
Authority: T.C.A. § 4-3-1703, T.C.A. § 8-30-104	Rule: 1120-04

Reduction in Force Severance Benefit Package

Upon allocation by the General Assembly in the annual appropriations bill, qualifying employees who are separated due to a reduction in force (RIF) shall receive a severance benefits package.

The severance benefits package shall consist of:

1. A one-time lump sum payment of \$3,200 (base gross pay), and
2. College tuition assistance for two (2) years for the employee to attend any state-funded college, university or technical school. The tuition assistance amount is to be capped at the average of the highest priced four-year public Tennessee college/university undergraduate level institution; provided, however, that such assistance shall only be provided for periods of actual attendance within a period of time to be determined by the Commissioner of Finance and Administration.

In order to qualify for this severance package, preferred service employees must have received an official thirty (30) day notice signed by the appointing authority and ultimately be laid off from state service because of the agency's reduction in force. The employee's separation date shall be the same date of layoff by the agency in order for the employee to qualify for the severance package.

Preferred service employees involved in a reduction in force and placed in other positions within the state service prior to the effective date of the layoff are not eligible to receive the severance package. In addition, employees involved in a reduction in force who elect to resign prior to the date of layoff are not eligible. However, employees who elect to take their retirement at the conclusion of the thirty (30) day notice are eligible to receive the severance benefits package. The Department of Human Resources, in consultation with the respective agencies, will determine final eligibility for each individual.

Any qualifying preferred service employee who is laid off as a result of a reduction in force and receives the severance benefits package, but is subsequently reemployed by the State within sixty (60) days of layoff, shall reimburse the state for the lump sum payment. The reimbursement amount shall be calculated and determined by the Department of Human Resources in consultation with the Department of Finance and Administration. The reimbursement shall be made in accordance with applicable payroll and accounting policies and procedures. This will ensure that the entire amount to be reimbursed is repaid to the State by the end of the calendar year.

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Any preferred service employee whose position is abolished because of a reduction in force shall receive the employee's final paycheck, including accumulated leave, no later than thirty (30) days after the date of layoff. The agency human resource office shall submit the employee's personnel file and all required documents to the Records Management Division within three (3) work days from the date of separation. In addition to an employee's separation papers, the Department must also receive a copy of the employee's reduction in force notice as well as a supplemental pay request for \$3,200 gross pay. The agency shall also enter employee's separation into Edison as a "RIF" with an effective separation date no less than thirty (30) days from the date of the official reduction in force notice. The State will deduct from the severance payment all legally required taxes, other withholdings, and any sums owed to the State.

Tennessee Student Assistance Corporation (TSAC) shall manage the tuition payments of employees affected by a reduction in force who enroll in a state funded university, college, or technical school.

If an employee accepts employment in the state service during the time in which the employee is eligible for the college tuition assistance provided in the severance benefit package, the employee may complete any class(es) in which the employee is enrolled prior to the effective date of the reemployment of the employee. However, as a condition of reemployment, the employee becomes ineligible for the remainder of the college tuition assistance. The employee shall be eligible to participate in all educational benefits provided to active state employees.

Questions regarding this policy may be directed to the Agency Resource Center (ARC).