HRMS Business Process:

Severance Package

- Terminal Agreements
- Non-Renewal for Academic Professional and Administrative Staff
- Phased Retirement
- Retirement Incentive Option (RIO)
- Staff Layoff for Civil Service, AFSCME Units 4, 6, & 7
- Teamsters Local 320 and Radio and Television Broadcast Technicians

Policy Questions? Call Employee Benefits, 612/624-9090 or 1-800-756-2663 Option 2
Process Questions? Call HRMS Call Center, 612/625-2016

Produced by HRMS. 04/15/2004
(Last Revised 04/20/2012)
http://www1.umn.edu/ohr/hrms

General Statement

Due to medical coverage requirements in the UPPlan under certain severance programs, a specific business process must be used to continue billing terminated individuals for coverage at active employee rates. This business process will allow the University to correctly administer benefits under the various severance packages, as well as track the usage of the different programs.
Retirement Incentive Option

On occasion the University offers retirement incentive options for specific periods of time. RIO is a singular opportunity for voluntary retirement.

From April 15 through July 7 of 2003 a Retirement Incentive Option (RIO) was offered to a portion of the University community. The same option was offered from December 15, 2003 through February 12, 2004 to the remainder. All accepting the option retired no later than June 30, 2004 and received 36 months of medical and dental subsidy following retirement. During a period when RIO was offered the Action/Reason Terminate with Benefits/Retirement Incentive Option (TWB/RIO) is activated. It was inactivated when the offer period is complete.

The second RIO was offered from May 14 through August 1st of 2008 for the 08/09 fiscal year. Like the first RIO, the 08/09 occurrence offered 36 months of benefit coverage for eligible U of M employees. During a period when RIO is offered the Action/Reason Terminate with Benefits/Retirement Incentive Option (TWB/RIO) is activated. It was inactivated when the offer period is complete.

A third RIO offering was initiated for the period February 15 through May 15, 2011. Benefits differed compared to the previous RIOs. During this RIO lump sum payments were made to health care savings plans based upon employee benefit elections. The procedure for departments to enter the information remains the same. Use the Action/Reason Terminate with Benefits/Retirement Incentive Option (TWB/RIO). Employee Benefits will add a RET/RET row at the time of employment termination for benefit purposes.
## Table of Contents

**Process** ................................................................................................................................................................................. 4  
  Terminal Agreement  
  Non-Renewal for Academic Professional and Administrative Staff  
  Staff Layoff for Civil Service, AFSCME Unit 4, 6, & 7, Teamsters Local 320  
  & Radio and Television Broadcast Technicians  
  Retirement Incentive Option  
  Paid Portion of Phased Retirement ........................................................................................................................................ 5
PROCESS

The process below outlines the necessary steps to take when ENDING an employee’s appointment for the following reasons:

- Terminal Agreements
- Non-Renewal for Academic Professional and Administrative Staff
- Staff Layoff for Civil Service, AFSCME Units 4, 6 & 7, Teamsters Local 329 and Radio and Television Broadcast Technicians
- Ending the paid portion of a Phased Retirement (Note: See the section on page 6 for setting up the paid portion of a Phase Retirement.)
- Retirement Incentive Option (RIO)

Job Data

Workforce Administration > Job Information > Job Data

**Work Location**
1. Effective date = **one day after** the last day of work.
2. Action/Reason
   - Terminal Agreements = Retired with Benefits/Severance_REB SEV)
   - Academic Professional & Admin Staff = Terminate With Benefits/Layoff NonRenewal >=3 yrs Service (TWB/LER)
   - Staff Layoff = Terminate With Benefits/Layoff NonRenewal >=3 yrs Service (TWB/LER)
   - Phased Retirement (ending paid portion only) = Retired With Benefits/Severence (REB/SEV)
   - RIO = Retirement with Benefits/Retirement Incentive Option (TWB/RIO)

**Payroll**
1. Pay Group = ZNP
2. Employee Type = H (Hourly)
   (If the employee was Salaried continue to Compensation page.)

**Compensation**
   If employee had been Salaried, make the following changes
1. Frequency = H
2. Rate Code = HRLY
3. Comp Rate = Hourly rate of pay (Calculation: ABBR / # of Hours in Appointment Term)

SAVE the record.

**NOTE:** Check to see if Additional Pay is connected to this appointment. If an Additional Pay record exists submit a correction form to HRMS to have the end date entered or changed.

**NOTE:** If the appointment stops mid-pay period, enter any necessary adjustments and **SAVE.**
Beginning the Paid Portion of an Employee’s Phased Retirement

The process below outlines the necessary steps when BEGINNING the paid portion of an employee’s Phased Retirement.

Position Management
Organizational Development >Position

Submit a Position request to change the standard hours to reflect the paid portion of the phased retirement. A Position/Standard Hours Change row will be automatically inserted into job data effective the first date of the phased retirement.

Job Data

Workforce Administration > Job Information > Job Data

Work Location
1. Effective date = 1st day of the Phased Retirement begins
2. Sequence = 1
3. Action/Reason = Data Change/Phase Retirement (DTA/PHR)

Job Data
1. Standard Hours = already changed by the inserted Position/Standard Hours Change row

SAVE the record.

Additonal Pay
Earnings Code = SLU
Effective Date = 1st day of the Phased Retirement begins
Earnings Amount = Unpaid portion of the Phased Retirement
End Date = Last date of phased retirement

NOTE: To end the paid portion of a Phase Retirement, refer to page 4.