**ARA 7.05 SEPARATION FROM SERVICE**

* + - 1. **Resignations**
			2. Employees wishing to leave service in the Auditor’s Office in good standing must file a written resignation with their supervisor and provide a copy to Operations Management. This notice must be given at least two weeks before leaving and must state the date the resignation becomes effective and the reason for leaving.
			3. Unless unforeseen circumstances intervene, or as otherwise agreed to by the Division manager in consultation with Operations Management, failure to give proper notice of resignation will render an employee ineligible for reinstatement under [Auditor’s Office Administrative Rule 7.07 - Reinstatement](https://www.portlandoregon.gov/Auditor/article/669250).
			4. **Retirement**
1. Employees retiring under PERS are encouraged to submit their Application for Service Retirement 90 days before the effective retirement date. More information about the procedure and documents that must be submitted to apply for retirement is available on the [PERS website](http://www.oregon.gov/PERS/). Any employees covered under the Police & Fire Pension Fund should also consult the plan documents for information regarding retirement.
2. Employees should notify their supervisor at the time they submit their application to PERS to complete the appropriate paperwork required by the Auditor’ Office. Once notified, the timekeeper will submit a Notice of Separation from a PERS Covered Position to Payroll and all necessary information will be forwarded to PERS.
3. Information about continued employment following retirement is set forth in [Auditor’s Office Administrative Rule 3.06 – Employment of Retirees](https://www.portlandoregon.gov/auditor/article/669063).
	* + 1. **Appointment Ended**

An “appointment ended” separation occurs when a limited duration employee’s appointment has ended or a limited term position has expired. If the employee voluntarily resigns before the date the appointment ends, it will be considered a resignation rather than an expiration of the term. *See* [Auditor’s Office Administrative Rule 3.03 – Types of Appointments](https://www.portlandoregon.gov/auditor/article/665825).

1. **Job Abandonment**

Any unauthorized absence from work may result in discipline up to and including discharge. Depending on its length, the Auditor’s Office may consider an unauthorized absence to be job abandonment resulting in discharge.

1. **Termination and Layoff**

Termination of employment will be conducted in accordance with [Auditor’s Office Administrative Rule 5.01 - Discipline](https://www.portlandoregon.gov/auditor/article/665836). Layoffs will be conducted in accordance with [Auditor’s Office Administrative Rule 7.06 – Layoff, Recall, and Redeployment](https://www.portlandoregon.gov/Auditor/article/665846).

1. **Severance Program**

In 2018, through [Ordinance No. 188895](https://efiles.portlandoregon.gov/Record/11836655/), Council established the Auditor’s Severance Program, authorized the City Auditor to enter into Severance Agreements with eligible Auditor’s Office employees, and authorized to City Auditor to revise Severance Program guidelines by administrative rule.

1. The goals of the Severance Program are to:
2. Provide an incentive for eligible employees to voluntarily resign from City employment in order to create vacancies to address budget shortfalls or fiscal crises;
3. Avoid a disruptive bumping and layoff process;
4. Lessen the effect of a budgetary reduction;
5. Support staffing reorganization or allow for more efficient staffing; or
6. Provide a tool to otherwise aid in organizational change.
7. Permanent Auditor’s Office employees with at least one year of continuous service are eligible to participate in the Severance Program, when authorized by the City Auditor.
8. The City Auditor is responsible for determining the details of Severance Agreements pursuant to this rule, and approving or declining Severance Program payments to eligible employees. The City Auditor may, in the City Auditor’s discretion, authorize a Severance Agreement when:
	1. A severance will result in savings or increase efficiency or effectiveness of the Auditor’s Office through reorganization; or
	2. The City Auditor otherwise determines that a severance is in the best interest of the City.
9. If the City Auditor approves an employee to participate in the Severance Program, the employee must resign their employment and will have no recall rights.
10. The City Auditor may offer an employee or group of employees, whether at risk of layoff or not, either one or a combination of the following, provided that the total cost of the option(s) does not exceed $15,000:
	* 1. A Severance Program salary payment (cash payout), which is usually consists of two months' base pay. The City Auditor may approve an additional one week's pay for every year of service, budget-permitting. The total Severance Program salary payment may not exceed 12 months' pay.
		2. Continued healthcare coverage for up to six months. The City will pay medical and dental premiums under federal continuation coverage (COBRA) for employees and their eligible dependents for up to six months or the date the employee or their eligible dependents otherwise lose eligibility, whichever comes first. For employees for whom COBRA will have a negative impact on Medicare, a lump sum payout of the value of the COBRA benefit is authorized.
11. All Severance Program salary payments will be made via lump sum and are subject to tax withholding. All funding for the Severance Program will be absorbed by the Auditor's budget.
12. Severance Program salary payment are restricted from funding existing deferred compensation accounts by IRS rules.
13. PERS Guidelines prohibit contributions to an employee’s PERS account from their Severance Program salary payment. The employee is not eligible for participation in a Retirement Severance Program.
14. Unemployment insurance eligibility is determined by the State of Oregon
15. Operations Management is responsible for administering the Severance Program, including but not limited to:
16. Maintaining information and materials necessary to implement the Severance Program.
17. Communicating Severance Program information to Auditor’s Office employees.
18. Communicating Severance Program requests for employee and City Auditor consideration.
19. Once the City Auditor has authorized a Severance Program request, notifying the affected employee of the offer and confirming the employee's interest in the Severance Program.
20. Transmitting signed Auditor’s Office Severance Agreements to the Bureau of Human Resources, and coordinating with Human Resources to ensure that Auditor’s Office employees who enter into Severance Agreements pursuant to this rule receive Severance Program salary payments and/or continued healthcare coverage healthcare coverage in accordance with the agreement.
21. Ensuring compliance with this rule.
22. Employees who are interested in participating in the Severance Program are responsible for communicating their interest to Operations Management.
23. Employees who are approved to participate in the Severance Program must sign an Employee Agreement and Release. Employees have 21 days from receipt of the Employee Agreement and Release to consider and sign the agreement.
24. By signing the Employee Agreement and Release, the employee voluntarily releases and forever discharges the City, the City Auditor, and each of the City Commissioners, officers, employees, agents, and insurers and their successors, individually and collectively, of and from all claims arising from or in any way related to their employment as a City of Portland employee or their resignation from City employment.
25. An employee who participates in the Severance Program agrees to be barred from applying for, accepting, or otherwise seeking employment with the City during a three-year period after the effective date of the resignation, and that any hiring or application will be deemed null and void.
	* 1. The prohibition from employment includes all full-time, part-time, exempt from classified service, and temporary positions, as well as contract work.
		2. The City Auditor may authorize an exception to this employment prohibition only if the employee has been gone equal to or longer than the time equivalent of the salary payment received (for example, an employee who receives a six-month Severance Program salary payment may not be rehired prior to the expiration of six months).
26. **Employee Separation Procedures**

When an employee separates from service:

1. Operations Management will prepare an Off-Cycle Check Request and submit the original to the Central Time Administrator before 10:00 a.m. for same day payment.
2. Operations Management will complete a personnel action in SAP.
3. The employee or their timekeeper will complete the employee’s timesheet in SAP.
4. It is the responsibility of the employee’s supervisor, in consultation with Operations Management, to ensure that an exit checklist is completed. Exit checklists are used to ensure that all City property is returned (e.g., access badges, phones, laptops / tablets, keys, procurement cards, etc.). At a minimum, the employee’s supervisor, in consultation with Operations Management, must notify:
	1. The Bureau of Technology Services, to disable the employee’s network access.
	2. The Facilities Services Division, to disable the employee’s identification card.
	3. The Procurement Card Program Administrator, to cancel the employee’s procurement card, if applicable.
5. Managers must also ensure that the departing employees’ data, including emails and electronic files, are properly retained or disposed of. Managers should contact [Archives and Records Management](https://www.portlandoregon.gov/archives/26978) with questions.
6. Employees should contact Operations Management for information about unused leave and pension eligibility, and should contact Human Resources’ Benefits Office for information about life and health insurance benefits. Operations Management will refer benefits questions to the Benefits Office.
7. **Death of an Employee**

In the unfortunate event of the death of an Auditor’s Office employee, in addition to the applicable procedures set forth in Section G:

1. Operations Management will process a personnel action in SAP and inform the Human Resources’ Benefits Office. The Benefits Office will verify the employee’s beneficiary designation, and will send the beneficiary a letter and death claim form for filing with Standard Insurance and COBRA insurance information.
2. The employee’s final paycheck will be issued in accordance with [City Code Sections 5.08.160 – 5.08.180](https://www.portland.gov/code/5/08#toc--5-08-160-delivery-of-checks-payable-to-deceased-persons-). Central Payroll will process any reconciliation of PERS. A surviving spouse or beneficiary should contact PERS and Standard Insurance directly regarding benefits.
3. Operations Management will arrange to transfer any of the employee’s personal items located in the Auditor’s Office to the employee’s surviving spouse or beneficiary.
4. The employee’s co-workers and family members are encouraged to access the [Employee Assistance Program](https://www.portland.gov/policies/human-resources-administrative-rules/employee-benefits/hrar-1002-employee-assistance) for any personal assistance they may need.

**Auditor’s Office Administrative Rule Information and History**

Questions about this administrative rule may be directed to the [Auditor’s Office’s Operations Management Division](https://www.portland.gov/auditor/operations-management).

Adopted by the City Auditor December 11, 2017.

Adapted from [City Human Resources Administrative Rule 7.05 – Separation from Service](https://www.portland.gov/policies/human-resources-administrative-rules/employee-movement/hrar-705-separation-service).

 Adopted by Council on March 6, 2002 (Ordinance No. 176302).

 Last revised November 4, 2011.

Section F is adapted from and amends the Auditor’s Office Severance Program, adopted by City Council on April 18, 2018, through [Ordinance No. 188895](https://efiles.portlandoregon.gov/Record/11836655/).

Revised by the City Auditor on October 5, 2020, as an interim rule effective for not more than 180 days.

Amended by the City Auditor after a 30-day public comment period on [Month Day, Year].