

Auditor's Office Severance Program

General Description: The program's goal is to provide an incentive for employees to voluntarily resign from City employment to lessen the effect of a budgetary reduction, allow for more efficient staffing, avoid a disruptive bumping and layoff process, or as a tool to aid in organizational change. The City Auditor may offer severance packages to specific employees in the Auditor's Office.

Purpose	Create the option for employees at the Auditor's discretion to receive a severance to support staffing reorganization, allow for more efficient staffing, or create vacancies to address budget shortfalls or fiscal crises.
Program Administrator	Auditor's Office
Employee Eligibility	Permanent employees with at least one year of continuous service.
Policy Guidelines	<ul style="list-style-type: none"> • Program is limited to situations in which the Auditor determines a severance will result in savings or increase efficiency or effectiveness of the office through reorganization. The Auditor may also authorize severances where it is shown to be in the best interest of the City. • Employees who participate in this program must sign an agreement and release and cannot return to City of Portland employment within three years of resignation, unless an exception is authorized by the Auditor. • Employees have 21 days from receipt of the Employee Agreement and Release to consider signing the agreement. • Employees who participate in this program resign their employment and therefore have no lay off or recall rights. • Unemployment insurance eligibility is determined by the State of Oregon.
Funding Source	Auditor's Office
Program Elements	<ul style="list-style-type: none"> • Approved employees receive a severance payment of two months' base pay. The Auditor may approve an additional one (1) week's pay for every year of service, budget-permitting. Total severance payment shall not exceed 12 months' pay. All payments will be made via lump sum and are subject to tax withholding. • PERS Guidelines prohibit contributions to employees' PERS account from their Severance payment.

	<ul style="list-style-type: none"> • Severance payments are restricted from funding existing deferred compensation accounts by IRS rules. • The City of Portland will pay the medical and dental premiums under federal continuation coverage (COBRA) for employees and their eligible dependents for up to six (6) months, or the date the employees or their eligible dependents otherwise lose eligibility; whichever comes first. For employees for whom COBRA will negatively impact them with Medicare, a lump sum payout of the value of the COBRA benefit is authorized. • Retirement Severances are not allowed under this program. • Employees who elect to participate in a Severance Agreement under this provision are not eligible for participation in a Retirement Severance Program.
Auditor's Responsibility	Approve or decline Severance payments to eligible employees and determine details of agreements pursuant to these guidelines.
Management Services' Responsibility	<ul style="list-style-type: none"> • Administer the program. • Maintain information and materials necessary to implement the program. • Communicate Severance Program information to employees. • Communicate Severance Program requests for Auditor's consideration. • Once the Auditor has authorized a Severance request, notify the affected employee of the offer and confirm the employee's interest in the Severance Program. • Ensure guidelines are followed.
Employee's Responsibility	<ul style="list-style-type: none"> • Employee communicates interest in the Auditor's Severance Program to Management Services. • Employee agrees to be barred from applying for, accepting or otherwise seeking employment with the City of Portland during a three-year period after the effective date of the resignation and that any hiring or application shall be deemed null and void. The prohibition from employment shall include all full-time, part-time, exempt from classified service and temporary positions, as well as contract work. The Auditor may authorize an exception to this prohibition from employment 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 salary payment may not be rehired prior to the expiration of six months). • By signing the Agreement and Release, the employee voluntarily releases and forever discharges the City, the 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.
Appeals Process	None