



City of St. John's Corporate and Operational Policy

Policy: 03-09-09 End of Employment

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Section: 09 Separations

Title: 09 End of Employment

Purpose

The policy provides the principles guiding the termination of employment of employees of the City of St. John's other than for cause, be it voluntary (i.e. retirement or resignation) or involuntary (i.e. death, redundancy or termination without cause).

Policy Statement

1. Policy Statement

This policy is intended to provide direction to departments and employees when a decision is made by either party to end the employment relationship.

1.1 RESIGNATIONS

Notice of resignation from the employee must be a minimum of 2 weeks except during probation when a shorter period is acceptable. Under special circumstances on the discretion of the employer, a shorter period may be acceptable.

The employee would be expected to work the notice period unless it is agreed by the City Manager that the notice need not be worked.

1.2 RETIREMENT

This section applies to employees who are enrolled in the City's Pension Plans and are eligible to retire. Where the Collective Agreements stipulate specific provisions on retirement, those would

apply for employees within those bargaining units.

1.2.1 Notice of retirement

The notice of retirement would be a minimum of 60 days.

1.2.2 Rescinding Retirement

Where an employee decides that they do not want to retire, the time frame to rescind the retirement is 30 days. In exceptional circumstances the Director of HR may accept a withdrawal of retirement within a shorter time frame.

1.2.3 Retirement Allowance Pay

Retirement allowance pay (previously referred to as Severance) will be based on the employee's permanent position salary as of the date of retirement in accordance with the employee's pension plan, and will be payable at a rate of 1 week's pay per year of service and pro-rated for their partial year of service. Retirement Allowance will be subject to the following:

- Retirement Allowance will be payable only to employees who have been hired post Dec 31st, 1979 .
- Retirement Allowance will be payable to the employee's estate / employee's nominated beneficiary in the event of the employee's death.
- Management employees who transferred to the City from The Goulds, St. John's Regional Fire Department, Wedgewood Park and Metro Board as part of the 1992 amalgamation will be paid the above on retirement only. If the employee has been paid severance by the previous employer then any allowance paid under this policy will be based on years of service with the City since 1992. If no severance was paid by the previous employer, the allowance shall include the individual's service with the predecessor employer provided that the service is continuous with the employee's service as a direct employee with the City of St. John's.

1.2.4 Group Insurance

- In the event the employee's lifetime pension is eligible for the small benefit commutation as per the Pension Plan text, the employee may opt to receive a lump sum payment equal to the commuted value of the benefits. If the employee chooses to take the commuted value lump sum payment, they are not entitled to continue with the Group Insurance benefits. If they choose to receive an ongoing lifetime pension payment, they qualify to retain the Group Insurance benefits.

1.2.5 Eligibility

Employees not enrolled in the City's Pension Plans are not eligible for any of the benefits identified in Section 1.2.

1.3. REDUNDANCY

Permanent employees whose positions are eliminated will receive notification of termination of employment in accordance with the provisions under Section 1.5.1.

1.4. TERMINATION WITHOUT CAUSE

The City may terminate the employment relationship for reasons that are not related to cause or

involving position elimination.

1.5. TERMS OF END OF EMPLOYMENT WITHOUT CAUSE

The below provisions would apply to Employees terminated as per section 1.3 or 1.4. Employees are required to work with Human Resources in confirming employment benefits due at termination, including any options available to the employee for continuation of benefits.

1.5.1 Notice period

Employees may be required to work their notice period or a portion thereof subject to the discretion of the Department Manager.

When employment is terminated without cause, departments will provide a fair and reasonable written notice of termination of employment. This will be based on multiple factors including years of service, age, responsibility and position at the time of termination, and probability of similar employment in the current market. In no case will this notice be less than the notice provided for in the Labor Standards Act. The number of weeks of notice commences as of the date of the letter which notifies the employee that he/she has been terminated.

1.5.2 Pay in Lieu of Notice

Departments may provide employees, whose employment is terminated without cause, with pay in lieu of notice in accordance with 1.5.1. The default payment option for pay in lieu of notice is salary continuance unless the City Manager determines a lump sum payment to be more appropriate.

At the end of the notice period, the employee may be eligible to receive retirement allowance, if they are retiring.

1.5.3 Salary Continuance Option

a) If pay in lieu of notice is approved, employees will receive the pay in lieu of notice as salary continuance as the default payment option. Employees receiving pay in lieu of notice as salary continuance maintain an active employee status until their effective date of termination despite not having to report for work during the notice period.

b) During the period of salary continuance, the employee is not entitled to salary step increases however will receive any general economic wage adjustments.

c) Vacation and sick leave credits will not be earned during the salary continuance period

d) Employees will continue to accrue service for the purpose of calculating Retirement Allowance in accordance with Sec1.2

e) Employees are required to consult with the Pensions and Benefits Division of Human Resources as to the impact of termination of employment on the availability or continuation of optional insurance coverage.

1.5.4 Lump Sum Payment Option

a) If pay in lieu of notice is approved, the City Manager on the employee's request may determine that a lump sum payment is the most appropriate payment option. The value of the salary and benefits will be determined in reference to the salary on the last day worked taking into account any known general economic wage adjustment increases scheduled to occur during the notice period.

b) Once approved, as of the effective date of termination, the employee ceases to be enrolled in the City's Pension and Group Insurance plans. In lieu thereof for Group Health and Group Life Insurances and pension benefits, a cash value equal to 10% of the pay in lieu of notice will be provided.

1.5.5 Career Transition Services

a) Career transition services will be provided to the employee through an external consultant as determined by the City. Such career transition services must be taken as a service; should the employee choose not to take the career transition services, no cash in lieu will be provided.

b) Employees who choose to retire will not be provided with career transition services

1.5.6 Legal Advice

Reimbursement of professional fees to a maximum of \$500.00 for having the separation package reviewed by a lawyer and/or financial advisor will be reimbursed on receipt of the invoice.

1.5.7 Benefits

The City provides a range of benefits with respect to insurance and options for pension depending on the employees' date of hire, employee group and other relevant factors. Details can be found in the employee benefits section on "My City" For specific details of individual plans, Human Resources must be contacted.

1.6 SICK LEAVE

(a) Employees hired after December 31, 1979, there is no payment for unused accrued sick leave.

(b) Employees hired on or before December 31, 1979 will be paid the balance of their sick leave bank up to a maximum of 200 days. This allowance will be paid on severance, retirement in accordance to the City's Pension Plan, or death. In the case of death, payment will be made to the employee's estate.

1.7 RELEASE

Employees receiving a separation package will be required to sign a Full and Final Release and Agreement of Notification.

The purpose of these documents is as follows:

- To release the City from any future claims by the employee including but not limited to

the Human Rights Code, the Occupational Health and Safety Act, Short and Long Term Disability, and wrongful dismissal.

- To ensure confidentiality surrounding the negotiation of the terms of the separation and to ensure notification of disclosure only as required by law.

1.8 RE-EMPLOYMENT OF FORMER EMPLOYEES AFTER REORGANIZING

a) Former employees who were terminated without cause cannot be rehired by the city or any of its special purpose bodies as an employee or consultant, for a period of two years starting from an employee's separation date. Any employee who is rehired after the two year period is considered a "new" employee in terms of salary, benefits and seniority.

b) An individual may be rehired under extenuating circumstances before the two-year period expires, for example when a former employee with specialized skills and/or experience is required to work on a special project. The individual would be hired on a short-term basis if in a management position or on a temporary or casual status if in a bargaining unit position.

c) Any rehiring must be recommended by the City Manager.

Application

This policy applies to all employees of The City. Where an employee has in his or her employment contract, or the collective agreement, specific provisions for termination of employment which vary from the terms of this policy, the provisions in his or her employment contract / collective agreement will prevail.

Responsibilities

3.1 EMPLOYEES

It is the responsibility of employees to:

- provide the employer with the appropriate period of written notice of his/her resignation / retirement as specified in this policy and related procedures.
- seek information from Human Resources, about the benefits which may be due at the end of employment, such as accrued severance, leave entitlements, group insurance and any applicable pension benefits.

If terminated without cause,

- work their notice period unless the employee receives pay in lieu of notice for the entirety, or a portion, of the notice period. An employee who fails or refuses, for reasons unacceptable to the department, to work a notice period, or a portion of a notice period, will have their entitlement to notice and/or pay in lieu of notice correspondingly reduced;
- if desired, submit a request, in writing, to the City Manager for pay in lieu in the form of a lump sum payment.

Redundancy

- seek information from Human Resource about the benefits which may be due at termination. Any discrepancies in benefits owing, or paid, should be immediately reported to Human Resource.

3.2 BUDGET / DIVISION MANAGERS

It is the responsibility of Budget Managers to:

- consult with the Human Resource regarding end of employment matters
- provide supporting information when recommending termination without cause or redundancy of permanent employees .
- consult with Human Resource to discuss the appropriate course of action and notify employees in writing that their employment is terminated.
- make a decision in consultation with Human Resources on whether working notice, pay in lieu of notice or a combination of working notice and pay in lieu of notice is warranted.
- support and advice employees through the end of employment process.
- comply with collective agreement provisions for bargaining unit employees.

3.3 THE HUMAN RESOURCES DEPARTMENT

It is the responsibility of appropriate units of Human Resources to:

- provide support to departments in assessing termination of employment with or without cause; assessing position elimination impacts, and the related documentation
- provide policy interpretations and advice to departments when required.
- determine the notice pay, retirement pay or any other end of employment terms in line with this policy as well as common law and facilitate any exceptional requirements with legal advice and appropriate approvals.
- develop a transition and/or exit plan, in consultation with the appropriate Budget Manager, for each affected employee.
- provide consultation and advice to non-unionized employees on terms of termination or redundancy.
- determine, in consultation with the Director, Human Resources, or designate, whether a separation package could be structured to facilitate retirement, should the employee wish it and provided the employee meets the eligibility requirements for retirement.
- provide advice on retirement and insurance related options as appropriate with affected employees.

Definitions

- **Budget Manager:** A position in the organization that has the responsibility to manage budgets and may manage people as well.
- **Common Law:** Body of law based on judicial or arbitral decisions. These decisions are consulted, in addition to legislation, when making decisions related to termination of employment.
- **Economic Wage Adjustments:** all pay adjustments made to the entire pay plan (i.e pay bands and salaries) due to either general increases or due to market / industry benchmarking.
- **Notice of Termination:** An employee's notice period of the termination without cause of their employment. Notice can be in the form of working notice and/or pay in lieu of notice.
- **Redundancy:** When the majority of the functions of a job are no longer required by the organization, in any of the following situations: job is eliminated; job is reclassified and majority of the duties have changed.
- **Retirement:** Retirement in accordance with the City's Pension Plans.
- **Terminated without Cause:** Termination of employment as a result of the employer's decision to end the services of an employee for reasons including, but not limited to: reorganization, position elimination, inability of the employee to fulfill the expectations of their position.

References/Appendix

- Procedures for providing Notice of Retirement, resignation etc
- Supporting information from Pension and Benefits
- Application for payment in lump sum
- Labour law (w.r.t. notice period).



03-09-09 End of Employment Policy.pdf

Monitoring and Contravention

The monitoring of this policy shall be done as per the responsibilities laid out in Section 3.

All exceptions to be approved and documented.

Any willful misuse or malicious negligence of responsibilities, may result in disciplinary action upto and including dismissal.

Approvals

Indicate the following:

- Position Title of Policy Sponsor / owner: Director of HR
- Position Title of Policy Writer: HR Advisor – Policy and Program Development
- Date of approval from Corporate Policy Committee / Senior Executive Committee / Finance & Administrative Committee:
- Date of approval from Council:

Review Period

4 years

Available to Public

- ☒ Yes
- ☐ No