



## ADMINISTRATIVE DIRECTIVE

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	EFFECTIVE DATE <b>February 1, 2012</b>	

### I. PURPOSE

To state the policy regarding terminal pay for employees who leave City service, and to describe the use of associated forms.

### II. POLICY

All employees voluntarily separating from employment and non-permanent employees with expired appointments shall be paid in the usual manner no later than the regularly scheduled payday for the pay period during which the separation occurred. In the event of the employee's death or non-voluntary separation from employment, the employee shall be paid wages due within three (3) business days of separation or at the end of the next regular pay period, whichever is sooner.

### III. PAY PROVISIONS

All employees who leave City service for any reason shall receive all pay with the following qualifications that may be due them:

- A. **Vacation Pay** - An employee eligible to use vacation shall be compensated for any accumulated vacation leave (see Vacation Leave Administrative Directive 2.01-7A, Section V). Such employees shall be fully compensated for the vacation leave at the employee's rate of pay at the time of separation. Vacation leave cannot be used to extend an employee's stated termination date.
- B. **Compensatory Time** - All unused compensatory time must be paid at the time of separation from the City (e.g., resignation, lay-off, discharge) at the average regular rate of pay received by the employee during the last three (3) years of employment or the final regular rate received by the employee, whichever is greater. City policy requires that employees who are retiring or resigning from the City use all accumulated compensatory time prior to separation from the City, whenever possible.

If exceptional circumstances prevent an employee from using the compensatory time, the department director must authorize the employee to be paid for the time in accordance with Fair Labor Standards Act (FLSA). The employee must document the exceptional circumstances in writing and forward to the department director for approval.

- C. **Sick Leave** - Only employees who retire from the City with an early, normal, or disability retirement (not to include a deferred retirement), or the designated survivor(s) of an employee who dies while in active employee status, shall be compensated for accumulated sick leave at the time of separation (see Employee Leaves Administrative Directive 2.01-7, for rates of compensation). Sick Leave cannot be used to extend an employee's termination date unless the employee is on approved medical leave (see



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Sick Leave, Family Medical Leave, and Medical Leaves Administrative Directives 2.01-7B, 2.01-7C, and 2.01-7D).

- D. **Longevity** - Only longevity-eligible employees (1) who retire from the City or (2) who die while in City service shall be compensated for longevity at the time of separation. The retiring employee, or the designated survivor(s) of a deceased employee, shall be paid for all longevity accrued between the date of the last longevity check and the date of separation.
  
- E. **Deceased Employees** - A person who dies while an employee of the City shall have all unused vacation, compensatory time, sick leave, and any accrued longevity paid to the employee's survivor(s). Pension benefits will be paid in accordance with the pension plan in which the employee participated. "Survivor(s)" shall be the person(s) who are designated as the beneficiary of the employee's pension or as otherwise provided by law."
  
- F. **Effective Date of Separation (non-retirement)** - Other than for retirement and the exceptions noted below, the effective date of an employee's separation shall be the last day of work. The date of separation cannot be extended by the use of vacation leave or sick leave; however, employees separating on a holiday as last day of work will be paid for the holiday.

For an employee on an approved sick leave or on an approved leave of absence, the effective date shall be the day the resignation is submitted, unless the Human Resources Director has formally approved a later date, in writing.

For an employee being discharged, the effective date shall be a date after the employee is notified of the decision to discharge (for permanent classified employees, see Disciplinary Action Administrative Directive 2.02-16).

- G. **Effective Date of Retirement**
  - 1. **Tucson Supplemental Retirement System (TSRS) Retirees** - The effective date of retirement for employees covered by TSRS shall be determined by the retirement board.
  
  - 2. **Public Safety Personnel Retirement System (PSPRS) Retirees** - The effective date of retirement for employees covered by PSPRS shall be determined by the retirement board.
  
  - 3. **Elected Officials** - The effective date of retirement for employees covered by the Elected Officials' Retirement Plan is the day after the member meets age and service requirements.



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- H. **Ending Date for Medical and Dental Insurance Plan Coverage for Separating and Retiring Employees** - Beginning December 1, 2007, medical and dental insurance plan coverage for benefit-eligible employees who separate or retire from City employment, will end on the last day of the calendar month in which the separation date or retirement date is effective.

IV. **FORMS**

Departments must complete the appropriate forms as determined by the Human Resources Department (electronic or hard copy) for each employee separating from City service as follows:

- A. **Personnel Action Request Form (PARF)** (or equivalent electronic form) - The appropriate form shall be completed indicating the type of separation. Employees who resign from the City shall sign the approved exit form(s). If the employee is not available to sign the form, a copy of a resignation letter may be attached.
- B. **Time Check Request Form** - This form shall be completed for all permanent, probationary, and appointed employees separating from City service. A Time Check form is not required for non-permanent employees with expired appointments. In order to ensure timely issuance of the employee's final paycheck, the department shall provide a completed Time Check Request Form (see Compensation Administration--General Policies Attachment B, Administrative Directive 2.01-1) to the Human Resources Department no later than three (3) business days before the employee's last day of work, when the department has prior knowledge of the employee's pending separation.
- C. **Employee Separation Clearance Form** (see Compensation Administration-General Policies, Attachment C, Administrative Directive 2.01-1) - Except as noted below, this form shall be completed by all employees separating from City service (including retirees) to ensure they are following the appropriate check out procedures. This form is not required for non-permanent employees whose appointments have expired. The department shall complete the appropriate sections of the form and give the form to the employee for obtaining all other required clearance information.

On the last day of work, the employee shall bring the Employee Separation Clearance Form to the Human Resources Department for an exit interview and completion of Section II. The employee will then meet with the Benefits office to review medical benefit options then meet with the Retirement office for clearance. The Retirement office will review TSRS benefits (options for refund, rollover, transfer or deferred retirement, etc.) and deferred compensation. Public Safety Employees will be referred to the Public Safety Personnel Retirement System office in the Finance Department.

After completion of all steps described above, the employee should present the form to the Finance Department's Accounting Division - Payroll Section. The Accounting



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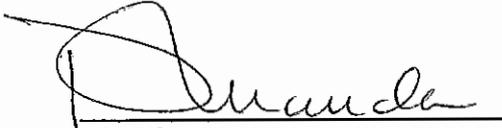
Division will distribute copies of the completed form to the originating department and the Human Resources Department.

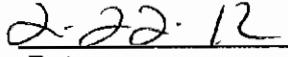
**Forms**                    2.01-1B Time Check Request Form  
                                  2.01-1C Employee Separation Clearance Form

**References**            Fair Labor Standards Act  
                                  Tucson City Code Chapter 10  
                                  2.01-1 Compensation Administration-General Policies  
                                  2.01-7 Employee Leaves  
                                  2.01-7A Vacation Leave  
                                  2.01-7B Sick Leave  
                                  2.01-7C Family and Medical Leave  
                                  2.01-7D Medical Leaves  
                                  2.02-16 Disciplinary Action

**Review Responsibility and Frequency**    The Human Resources Director will review this directive annually, based on date of publication.

**Authorized**

  
 \_\_\_\_\_  
 City Manager

  
 \_\_\_\_\_  
 Date