



Syssero[®] Solution Packet

Configuring the Severance Business Process



Solution Overview

In the case that you/your company needs to track its Severance process, consolidate documentation, and have a uniform process, you'll likely want to configure the Severance BP.

Doing so can help with things like:

- Breaking-out severance periods and applying them to different job levels
- Automatically sending the Worksheet to the terminnee
- Sending information to Payroll automatically

Before you dive into configuration, here are some items to review & complete:

- **Configure/Create the Business Process Definition for Severance Worksheet**
- **Create Compensation Eligibility Rules:** Compensation Eligibility rules are utilized in the Severance Matrix to create multiple levels/tiers of population eligibility and duration of severance, etc. Also, a good idea is to create a Compensation Eligibility rule for the Salary Plan configured for Post Termination Compensation.
- **Maintain Event Categories and Reasons:** Create Severance Reasons that will be utilized on the Severance Package configuration and the Severance Worksheet
- **Configure One-Time Payment Plan:** Check that one-time payment plans such as a severance bonus are configured and tied properly to payroll earnings codes.
- **Configure Post Termination Compensation Salary Plan:** If one does not exist, it is a good idea to create a separate salary plan such as Ongoing Severance that is tied to a Severance Compensation Element and further tied to/configured for an appropriate earnings code.

Once you've done these, it's safe to move forward. Be sure you have the proper Reports and BP Security set-up so that departments like Comp, HR, etc. can pull this information, and always consult Legal while considering the potential downstream effects of this.

Impacted Functional Areas

- **Core HCM**



Step 1: Create Severance Matrix

Severance Matrix determines the compensation basis used to calculate the severance and the duration of severance payments. This task is also used to create the Notice Matrix (separate) which is also required in the Severance Package. (example below)

- Enter the Effective Date of the matrix (ex. 1/1/2000)
- Choose Basis (Service Length Basis Range – most common)
- Choose Duration (Specific Duration Entries used here; based on eligibility rules in the matrix)

Create Severance Matrix

Effective Date * 01/01/2000 

Basis

- Compensation Basis Range
- Service Length Basis Range

Duration

- Specific Duration Entries
- Length of Service Multiplier

OK

Cancel

When creating the Severance Matrix, you'll need to provide a name, Duration Unit (Day, Month, Week) which is the duration of the ongoing pay (Week is used here), Length of Service Unit (Day, Month, Week, Year) which is used in some cases to determine different levels of severance offerings based on tenure (Year is used here as it is not based on tenure).



In the example below, we've created 2 Severance Matrices: Non-VP and VP;
The screenshot below is Non-VP.

Name Severance Matrix - Non-VP
Effective Date 01/01/2019
Inactive No
Duration Unit Week
Length of Service Unit Year
Severance Matrix Type Service Length Basis Range, Specific Duration Entries

Turn on the new tables view

2 items

Minimum Length of Service	Maximum Length of Service	Eligibility Rules	Duration	Minimum Duration	Maximum Duration
0	75	SEV - Worker is Exempt, Below VP	13	0	13
0	75	SEV - Worker is Non-Exempt, Below VP	8	0	8

Next, we've created Eligibility Rules for the three severance package offerings:

- **SEV - Exempt, Below VP**
- **SEV - Non-Exempt, Below VP**
- **SEV - VP**

Name Severance NOTICE Matrix
Effective Date 01/01/2019
Inactive No
Duration Unit Day
Length of Service Unit Year
Severance Matrix Type Service Length Basis Range, Specific Duration Entries

Turn on the new tables view

3 items

Minimum Length of Service	Maximum Length of Service	Eligibility Rules	Duration	Minimum Duration	Maximum Duration
0	75	SEV - Worker is Exempt, Below VP	90	0	120
0	75	SEV - Worker is Non-Exempt, Below VP	90	0	120
0	75	SEV - Worker is VP	90	0	120



When creating this, you'll need to set the Minimum and Maximum Duration to correspond with the packages. The duration in the Severance Worksheet (at time of creation) can be overwritten to any value between Min and Max determined in this matrix.

The Severance Matrix for Notice must also be created to calculate the "Notify by" date in the Severance Worksheet. Only need one Notice matrix that can be used across all worksheets. Duration unit is Day and Length of Service is Year. Below is based on a 90 day notice period.

Step 2: Create Severance Package

You can create different severance packages based on population/need. The severance package drives the elements included on the severance worksheet that is created for the employee.

The severance package ties in the severance matrix (with your eligibility rules/tiers), the severance reasons, and the different severance pay components such as wage continuation, term payouts, post term pay and time off payout. The severance package maps to the earnings codes used for these pay components.

Name	* Severance Package - VP
Description	
Effective Date	* 01/14/2022
Reason for Severance	* <ul style="list-style-type: none">× Severance Assignment > Involuntary Termination > Merger or Acquisition× Severance Assignment > Involuntary Termination > Position Elimination× Severance Assignment > Involuntary Termination > Reorganization or Restructure× Severance Assignment > Involuntary Termination > Workforce Reduction
Severance Matrix	* X Severance Matrix - VP ...
Notice Matrix	X Severance NOTICE Matrix ...
Service Start Date	* X Hire Date
Service End Date	* X Termination Date
Override Compensation Basis for Ongoing Severance Calculation	
Inactive	<input type="checkbox"/>



To further your knowledge in this process, familiarize yourself with the following. These are the standard Continued Salary/Wages options. Usually, these are used in such instances as pay in lieu of notice, WARN pay, etc. These are calculated based on Days (in the severance worksheet).

Continued Salary/Wages 1

- Extended Pay for Retention
- Notice Pay
- WARN Pay
- Wage Continuation

Search

Instructions

The **Termination Payouts** can be any bonus owed to the employee for which they are eligible at termination, severance bonus/one time payouts, or bonus in lieu of notice. More than one can be selected here with a corresponding One-Time Payment plan to appear on the severance worksheet.

Termination Payouts 1 item

- Bonus Payout
- In Lieu of Notice Pay
- Severance Payout

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*One-Time Payment Plan

Instructions

The **Post Termination Payments** section is the severance calculation section and salary plan to which the severance earnings are tied. It is a good idea to configure a separate salary plan for severance that is separate from the employee's regular salary or hourly plan.

Post Termination Payments 1 item

- Ongoing Severance Pay

Search

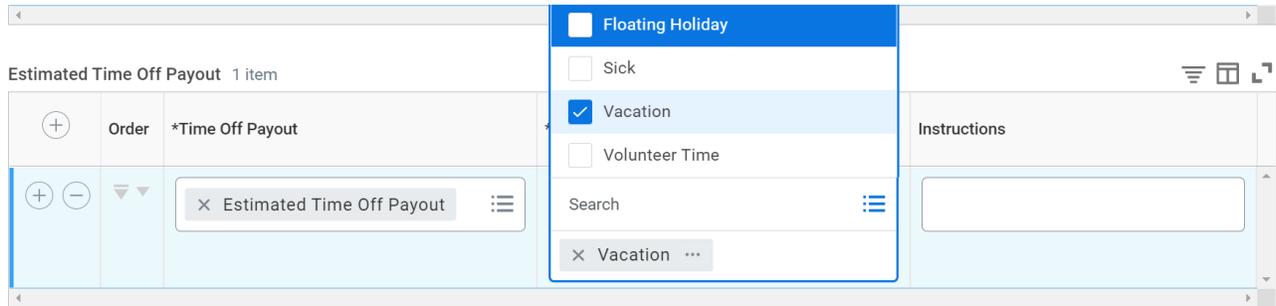
*Severance Payments

*Salary Plans

Instructions



The **Estimate Time Off Payout** allows you to configure and show the Time Off payout and plans eligible to be paid at termination on the severance worksheet.



The *last* section on the severance package is the **Service Instructions**. This gives a list of options available to the employee after termination, such as outplacement or relocation, as well as any reminders of outstanding items such as expenses or company assets that must be returned. The Instructions would be used to explain the item in more detail as it will appear on the severance worksheet presented to the employee.

Step 3: Create Severance Worksheet

The Severance Worksheet can now be created for the employee (Separate document).