

Retrieved 9/26/2016

Benefits for Separated Employees

Severance Pay

- If you are about to be separated from a permanent position involuntarily and through no fault of your own, you will likely be eligible for severance pay. To be eligible, you must not have refused an offer of a position that is (1) in the same commuting area, (2) in the same agency, and (3) no more than two grades below your current grade level. In addition, you must have been employed for at least 12 continuous months, and cannot be eligible for an immediate annuity from a federal civilian retirement system or from the uniformed services. Also, you must not be receiving workers' compensation benefits for wage loss due to an on-the-job injury.

Computation of Severance Pay:

- Only civilian service is creditable for severance pay. You will be entitled to 1 week's basic pay for each year of civilian service up through 10 years, plus 2 weeks' basic pay for each year of creditable service beyond 10 years. In addition, an age adjustment allowance of 2.5 percent is added for each full quarter of a year you are over 40 years of age. The maximum amount of severance pay is one year's salary (52 weeks). (This is a lifetime limitation. Thus, any severance pay you may have received in the past is taken into account when applying the limit.) Severance payments will be equal to your weekly pay at the time of separation and will be paid out at regular pay period intervals (usually biweekly) until the severance pay is exhausted. The only deductions made from severance pay are taxes, social security (if applicable), and Medicare.
- Severance pay estimation sheets are located at the end of this guide. The actual calculation formula is somewhat more complicated and technical. The samples are intended to help compute the approximate amount of severance pay you might receive. To receive an actual computation, please contact your servicing human resources office.
- If you are reemployed in a permanent position with the Federal government or the District of Columbia, severance payments will be stopped immediately. If you are reemployed in the Federal government on a temporary appointment after a break of more than 3 calendar days, severance pay will be temporarily suspended. When your temporary appointment ends, the agency will restart the unexpired portion of your severance pay. If you accept a temporary appointment with the Federal government within 3 calendar days of separation and subsequently leave that temporary job on an involuntary basis (e.g., expiration of appointment), you are eligible for severance pay based on the separation from the temporary job. Severance pay would be recalculated based on your rate of pay when you separated from the temporary job. Employment in the private sector has no effect on your right to receive severance pay from the Federal government.

Severance Pay Estimation Worksheets

The following are samples for use in estimating the amount of severance pay. The actual calculation formula is somewhat more complicated and technical. The samples are intended to allow you to figure the approximate amount of severance pay you may receive. The computation presumes that you were a full-time employee and that you have not previously received severance pay based on an earlier involuntary separation. OPM is not responsible for the accuracy of the results that this worksheet may give you. **IF YOU WANT AN ACCURATE CALCULATION, PLEASE CONTACT YOUR HUMAN RESOURCES OFFICE.**

Severance Pay Estimation Worksheet

line 1. Annual Rate of Basic Pay (at time of separation) = _____

line 2. Weekly Rate (divide line 1 by 2087 and then multiply result by 40) = _____
(Note: This weekly rate can also be derived by dividing the annual rate by 52.175.)

line 3. Years of Service (see A and B below)

A. If your length of service is LESS THAN 10 years, enter your length of service on line 3a.

B. If your length of service is MORE THAN 10 years:

(1) enter your length of service: _____

(2) subtract 10 from your length of service: $-10 =$ _____

(3) multiply the result by 2: $\times 2 =$ _____

(4) add 10 to the amount listed in 3): $+10$

(5) enter this total on line 3a. _____

line 3a. Adjusted Years of Service = _____

line 4. Basic Severance Pay (multiply amount on line 2 by the number on line 3a) = _____

line 5. Age Adjustment Factor (if your age is above 40, look your age up on the "AGE TABLE AND FACTORS" chart attached. Enter the "factor" number shown.)

Age = _____ years and _____ months. Factor = _____

line 6. Adjusted Severance Pay (multiply the amount in line 4 by the line 5 factor) = _____

line 7. Multiply the amount in line 2 by 52 weeks. = _____

This is the maximum amount of severance pay payable under the 1-year (52 weeks) limit.

line 8. If line 6 exceeds line 7, enter amount on line 7. Otherwise enter the line 6 amount. = _____

This is the estimated amount of your total severance pay fund.

line 9. Multiply the amount in line 2 by 2. = _____

This is the estimated amount of your biweekly severance payment (before deductions).

line 10. Divide the amount in line 8 by the amount in line 9 and multiply the result by 2. = _____

This is the approximate number of weeks of severance payments you will receive (assuming you are not reemployed by the government).

Severance Pay Estimation Worksheet

line 1. Annual Rate of Basic Pay (at time of separation) = \$ 73,619

line 2. Weekly Rate (line 1 divided 2087 and then multiplied by 40) = \$1,411
(Note: This weekly rate can also be derived by dividing the annual rate by 52.175.)

line 3. Years of Service (see A and B below)

A. If your length of service is LESS THAN 10 years, enter your length of service on line 3a.

B. If your length of service is MORE THAN 10 years:

(1) enter your length of service: 18

(2) subtract 10 from your length of service: $-10 = 8$

(3) multiply the result by 2: $8 \times 2 = 16$

(4) add 10 to the amount listed in 3): $+10$

(5) enter this total on line 3a. 26

line 3a. Adjusted Years of Service = 26

line 4. Basic Severance Pay (multiply amount on line 2 by the number on line 3a) = \$ 36,686

line 5. Age Adjustment Factor (if your age is above 40, look your age up on the "AGE TABLE AND FACTORS" chart attached. Enter the "factor" number shown.)

Age = 52 years and 0 months. Factor = 2.2

line 6. Adjusted Severance Pay (multiply the amount in line 4 by the line 5 factor) = \$ 80,709.20

line 7. Multiply the amount in line 2 by 52. = \$73,372

This is the maximum amount of severance pay payable under the 1-year (52 weeks) limit.

line 8. If line 6 exceeds line 7, enter amount on line 7. Otherwise enter the line 6 amount. = \$73,372

This is the estimated amount of your total severance pay fund.

line 9. Multiply the amount in line 2 by 2. = \$ 2,822

This is the estimated amount of your biweekly severance payment (before deductions).

line 10. Divide the amount in line 8 by the amount in line 9 and multiply the result by 2. = 52 weeks

This is the approximate number of weeks of severance payments you will receive (assuming you are not reemployed by the government).

Severance								
Years	Months	Factor	Years	Months	Factor	Years	Months	Factor
40	3-5	1.025	48	6-8	1.850	56	9-11	2.675
40	6-8	1.050	48	9-11	1.875	57	0-2	2.700
40	9-11	1.075	49	0-2	1.900	57	3-5	2.725
41	0-2	1.100	49	3-5	1.925	57	6-8	2.750
41	3-5	1.125	49	6-8	1.950	57	9-11	2.775
41	6-8	1.150	49	9-11	1.975	58	0-2	2.800
41	9-11	1.175	50	0-2	2.000	58	3-5	2.825
42	0-2	1.200	50	3-5	2.025	58	6-8	2.850
42	3-5	1.225	50	6-8	2.050	58	9-11	2.875
42	6-8	1.250	50	9-11	2.075	59	0-2	2.900
42	9-11	1.275	51	0-2	2.100	59	3-5	2.925
43	0-2	1.300	51	3-5	2.125	59	6-8	2.950
43	3-5	1.325	51	6-8	2.150	59	9-11	2.975
43	6-8	1.350	51	9-11	2.175	60	0-2	3.000
43	9-11	1.375	52	0-2	2.200	60	3-5	3.025
44	0-2	1.400	52	3-5	2.225	60	6-8	3.050
44	3-5	1.425	52	6-8	2.250	60	9-11	3.075
44	6-8	1.450	52	9-11	2.275	61	0-2	3.100
44	9-11	1.475	53	0-2	2.300	61	3-5	3.125
45	0-2	1.500	53	3-5	2.325	61	6-8	3.150

Severance

Years	Months	Factor	Years	Months	Factor	Years	Months	Factor
45	3-5	1.525	53	6-8	2.350	61	9-11	3.175
45	6-8	1.550	53	9-11	2.375	62	0-2	3.200
45	9-11	1.575	54	0-2	2.400	62	3-5	3.225
46	0-2	1.600	54	3-5	2.425	62	6-8	3.250
46	3-5	1.625	54	6-8	2.450	62	9-11	3.275
46	6-8	1.650	54	9-11	2.475	63	0-2	3.300
46	9-11	1.675	55	0-2	2.50	63	3-5	3.325
47	0-2	1.700	55	3-5	2.525	63	6-8	3.350
47	3-5	1.725	55	6-8	2.550	63	9-11	3.375
47	6-8	1.750	55	9-11	2.575	64	0-2	3.400
47	9-11	1.775	56	0-2	2.600	64	3-5	3.425
48	0-2	1.800	56	3-5	2.625	64	6-8	3.450
48	3-5	1.825	56	6-8	2.650	64	9-11	3.475