

**PRAIRIE VIEW A&M UNIVERSITY**  
**ADMINISTRATIVE PROCEDURE**

**31.03.99. P0.01 Lump Sum Termination Pay**

Revised (August 19, 2010)

Current Revision (December 16, 2011)

Next Scheduled Review (December 2012)

**1. PURPOSE**

- 1.1 The purpose of the Lump Sum Payment Policy is to outline the procedures and processes for paying exiting employees for any unused vacation and compensatory time.

**2. DEFINITIONS**

- 2.1 **Lump Sum Termination Pay** - The amount paid to an employee separating from the University for their accrued compensable leave balances when they elect to be paid in a lump sum payment as opposed to remaining on the payroll until their leave has been exhausted. Lump Sum Payment may also include unused compensatory time for non-exempt employees.
- 2.2 **Eligible Employee** - Any employee terminated from the University for any reason is entitled to be paid for their accrued vacation balance as of the date of separation if he or she has accrued six months of continuous state employment at any time during his or her lifetime.
- 2.3 **Funding Source** - The lump sum termination pay will be paid from the University's Lump Sum Account(s).

**3. PROCEDURES**

All employees and supervisors should adhere to the following procedures when processing an employee's request for Lump Sum Payment:

- 3.1 An employee may elect to be paid in a lump sum upon separation. If it is mutually agreeable to both employee and employer, an employee may elect to remain on the payroll in a budgeted or wage position for the period of accrued vacation. An employee who remains on the payroll in this status will retain all group benefits, but may not use sick leave or accrue sick leave or vacation leave.
- 3.2 If lump sum termination pay is elected, the employee's department and the Office of Human Resources are responsible for reconciling the employee's unused leave balance to ensure the correct balance is identified. The number of reconciled hours will be documented in a Lump Sum Payment letter from the Office of Human Resources to the terminating employee's Department Head.
- 3.3 The terminating employee's Department Head is responsible for initiating the lump sum termination pay request for the reconciled number of hours by completing a Payroll Adjustment Form and processing it through the normal approval channels. The Payroll Adjustment Form should be completed within two (2) business days of

receiving the request. A copy of the Lump Sum Payment letter from the Office of Human Resources must be attached with supporting Leave Traq documentation.

- 3.4 Upon approval by all required officials, the Payroll Adjustment Form is forwarded to the Payroll Office for processing on the next bi-weekly payroll.

**Contact Office:** The Office of Human Resources, 936-261-1730