



The Transportation Security Administration shall adhere to Title 5 pay rules except to the extent that the Federal Aviation Administration or TSA has issued a policy that varies from a Title 5 pay rule.

1. **PURPOSE:** This policy identifies the policies and procedures on the payment of severance pay to Transportation Security Administration (TSA) employees involuntarily separated for reasons other than cause.
2. **SCOPE:** This policy applies to all TSA employees serving on qualifying appointments, who have at least one year of Federal Service. Those TSA employees having less than one year Federal Service shall receive one week of Excused Absence upon involuntary separation that would otherwise qualify the employee for severance pay.
3. **AUTHORITIES:** The Aviation and Transportation Security Act.
4. **DEFINITIONS:**
 - A. Commuting Area: One or more geographic areas in which an employee can reasonably be expected to commute to and from work.
 - B. Employee: An employee of the Transportation Security Administration.
 - C. Employed by the Government of the United States refers to employment by any part of the Government of the United States, including the United States Postal Service and similar independent entities, but excluding enlistment or activation in the armed forces.
 - D. Immediate annuity means--
 - (1) A recurring benefit payable under a retirement system applicable to Federal civilian employees or members of the uniformed services that the individual is eligible to receive at the time of the involuntary separation from TSA or that begins to accrue within one month after such separation, excluding any Social Security retirement benefit; or
 - (2) A benefit that meets the conditions above, except that the benefit begins to accrue more than one month after separation solely because the employee elected a later commencing date – delayed annuity.
 - E. Inefficiency: Unacceptable performance or conduct that leads to separation.
 - F. Involuntary separation: A separation initiated by TSA against the employee's will and without his or her consent for reasons other than inefficiency, including a separation resulting from the expiration of a time-limited appointment effected within three

calendar days after separation from a qualifying appointment. In addition, when an employee is separated because he or she declines to accept reassignment outside his or her commuting area, the separation is “involuntary” if the employee’s job document or other written agreement does not provide for such a reassignment. However, an employee's separation is not “involuntary” if, after such a written mobility agreement is added, the employee accepts one reassignment outside his or her commuting area, but subsequently declines another such reassignment.

G. Non-qualifying appointment: An appointment that does not convey eligibility for severance pay under this policy, including:

- (1) An appointment in which the employee has an intermittent work schedule;
- (2) A Presidential appointment;
- (3) An emergency appointment;
- (4) A time-limited appointment of less than two years when it is made effective more than three calendar days after separation from a qualifying appointment.

H. Qualifying appointment means:

- (1) An excepted permanent appointment;
- (2) A time-limited appointment of more than two years;
- (3) A career or career conditional appointment in the competitive service, held prior to coming to TSA;
- (4) A career appointment in the Senior Executive Service held prior to coming to TSA; and
- (5) A time-limited appointment of less than two years (including a series of time-limited appointments by the same agency without any intervening break in service) that takes effect within three calendar days after the end of one of the qualifying appointments listed in (1) through (4) of this definition

I. Rate of pay: The employee’s pay under the Core Compensation System or Transportation Security Executive Service, including, as applicable, law enforcement availability pay, or locality-based comparability payment, but not including any other additional pay of any kind.

J. Reasonable offer: The offer of a position that meets all the following conditions:

- (1) The offer is in writing;

- (2) The employee meets established qualification requirements; and
- (3) The offered position is:
 - (a) In TSA or in an agency to which the employee is transferred with his or her function in a transfer of functions between agencies;
 - (b) Within the employee's commuting area, unless geographic mobility is a condition of employment;
 - (c) Of equal or greater tenure and with the same work schedule (part-time or full-time); and
 - (d) Not lower than two pay levels below the employee's current pay level, without consideration of pay retention under [TSA MD No. 1100.53-2](#), Pay Retention, July 15, 2004

K. Severance pay fund: The total severance pay to which an employee is entitled during a single severance pay entitlement. It includes a basic severance pay allowance, described in sections 6D.(1) and (2) below, and, where applicable, an age adjustment allowance as described in section 6D.(3) below.

5. RESPONSIBILITIES: Management is responsible for applying the procedures of this policy when an employee is involuntary separated for reasons other than cause.

6. POLICY & PROCEDURES:

A. Eligibility for severance pay.

- (1) To be eligible for severance pay, an employee must:
 - (a) Be serving under a qualifying appointment;
 - (b) Have completed at least 12 months of continuous Federal service. Not all 12 consecutive months must be within TSA; and
 - (c) Be involuntarily separated from TSA.
- (2) An employee is not eligible for severance pay if he or she:
 - (a) Is serving under a nonqualifying appointment;
 - (b) Declines a reasonable offer;
 - (c) Is receiving injury compensation under subchapter I of chapter 81 of title 5, United States Code, unless the compensation is being received concurrently with pay or is the result of someone else's death; or

- (d) Is eligible upon separation for an immediate annuity from a Federal civilian retirement system or from the uniformed services. Such an employee is ineligible even if all or part of the annuity is offset by payments from a non-Federal retirement system the employee elected instead of Federal civilian retirement benefits or disability benefits received from the Department of Veterans Affairs.

B. Criteria for meeting the requirement for 12 months of continuous employment.

- (1) The requirement for 12 months of continuous employment is met if, on the date of separation, an employee has held one or more civilian Federal positions over a period of 12 months without a single break in service of more than three calendar days. The positions held must have been under:
 - (a) One or more qualifying appointments; or
 - (b) One or more nonqualifying temporary appointments that precede the current qualifying appointment.
- (2) When a break in service during which an employee receives severance pay interrupts otherwise continuous Federal employment, the entire period is considered continuous service.
- (3) The period during which an employee receives continuation of pay or compensation for an injury on the job is considered continuous Federal service.

C. Criteria for meeting the requirement for involuntary separation.

- (1) An employee who resigns because he or she expects to be involuntarily separated is considered to have been involuntarily separated if the employee resigns after receiving:
 - (a) Specific written notice that he or she will be involuntarily separated by a particular action effective on a particular date, for reasons other than cause, that would otherwise entitle the employee to severance pay; or
 - (b) A general written notice of reduction in force or transfer of function which:
 - (i) Is issued by an Assistant Administrator, Office Director, or designee;
 - (ii) Announces that the agency has decided to abolish, or transfer to another commuting area, all positions in the competitive area by a particular date (no more than one year after the date of the notice); and

(iii) States that, for all employees in that competitive area, a resignation following receipt of the notice constitutes an involuntary separation for severance pay purposes.

(c) Except for resignations under the conditions described above, all resignations are voluntary separations and do not carry entitlement to severance pay.

(d) A resignation is not considered an involuntary separation if the specific or general written notice is canceled before the separation resulting from that resignation takes effect.

D. Computation of severance pay fund.

(1) Basic severance pay allowance. Except as provided in paragraph (2) of this section, the basic severance pay allowance consists of the following:

(a) One week of pay at the rate of pay for the position held by the employee at the time of separation for each full year of creditable service through 10 years;

(b) Two weeks of pay at the rate of pay for the position held by the employee at the time of separation for each full year of creditable service beyond 10 years; and

(c) Twenty-five percent of the otherwise applicable amount for each full three months of creditable service beyond the final full year.

(2) Basic severance pay allowance for employees with variable work schedules or rates of pay must be determined based on the weekly average for the last position held by the employee during the 26 biweekly pay periods immediately preceding separation, as follows:

(a) For positions in which the number of hours in the employee's basic work schedule (excluding overtime hours) varies during the year because of part-time work requirements, compute the weekly average of those hours and multiply that average by the hourly rate of pay in effect at separation.

(b) For positions with seasonal work requirements, compute the weekly average of hours in a pay status (excluding overtime hours) and multiply that average by the hourly rate of pay in effect at separation.

(3) Age adjustment allowance. The basic severance pay allowance is augmented by an age adjustment allowance consisting of 2.5 percent of the basic severance pay allowance for each full three (3) months of age over 40 years.

E. Maximum Limitation on Severance Pay.

The maximum severance pay allowed is that amount which will provide 52 weeks of salary (taking into account weeks of severance pay previously received).

F. Creditable service.

The following types of service are creditable for computing an employee's severance pay:

- (1) Civilian service as an employee (as defined in section 2105 of Title 5, United States Code), excluding time during a period of nonpay status that is not creditable for annual leave accrual purposes;
- (2) Service performed with the United States Postal Service or the Postal Rate Commission;
- (3) Military service, including active or inactive training with the National Guard, when it interrupts civilian service and the employee returns to civilian service through the exercise of a restoration right provided by law, Executive Order, or regulation;
- (4) Service performed by an employee of a non appropriated fund instrumentality of the Department of Defense or the Coast Guard, as defined in section 2105(c) of Title 5, United States Code, who moves to a position within the civil service employment system of the Department of Defense or the Coast Guard, respectively, without a break in service of more than three (3) days; and
- (5) Service performed with the government of the District of Columbia by an individual first employed by that government before October 1, 1987, excluding service as a teacher or librarian of the public schools of the District of Columbia.

G. Accrual and payment of severance pay.

- (1) Severance pay accrues on a day-to-day basis following the recipient's separation from Federal employment. If severance pay begins in the middle of a pay period, one day of severance pay accrues for each workday or applicable holiday left in the pay period at the same rate at which pay would have accrued if the recipient were still employed. Thereafter, accrual is based on days from Monday through Friday, with each day worth one-fifth of one week's severance pay. Accrual ceases when the severance pay entitlement is suspended or terminated, as provided in paragraphs H and I below. If severance pay is suspended during a nonqualifying time-limited appointment as provided in paragraph H below, accrual will resume following separation from that appointment.

- (2) Severance payments must be made at the same pay period intervals that salary payments would be made if the recipient were still employed – on TSA’s normal pay day. The amount of the severance payment is computed using the recipient's rate of pay in effect immediately before separation, with credit for each day of severance pay accrual during the pay period corresponding to the payment date. A severance payment is subject to appropriate deductions for income, Medicare, and Social Security taxes.
- (3) When an individual receives severance pay as the result of an involuntary separation from a qualifying time-limited appointment, the severance payment is based on the rate of pay received at the time of that separation.
- (4) When an individual is in a nonpay status immediately before separation, the amount of the severance payment is determined using the rate of pay that he or she would have received if he or she had been in a pay status at the time of separation.
- (5) When an individual's severance pay fund is computed under paragraph D above, using an average rate of pay, that average rate is used to determine the amount of the severance payment. Exception: In the case of a seasonal employee, TSA will use the employee's rate of pay at separation (as computed based on the employee's work schedule during the established seasonal work period) and then authorize severance payments only during that seasonal work period.

H. Suspension of severance pay.

When an individual entitled to severance pay is employed by the Government of the United States or the government of the District of Columbia, under a nonqualifying time-limited appointment as described in Section 5 above or in Subpart G, Part 550, Title 5, Code of Federal Regulations, severance pay must be suspended during the life of the appointment. Severance pay resumes, without any recomputation, when the employee separates from the nonqualifying time-limited appointment. The resumed severance payments are the responsibility of TSA if the employee was separated from TSA with entitlement.

I. Termination of severance pay entitlement.

Entitlement to severance pay ends when--

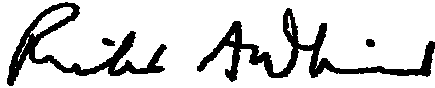
- (1) The individual entitled to severance pay is employed by the Government of the United States or the government of the District of Columbia, unless employed under a nonqualifying time-limited appointment as described in Section 5 above or Subpart G, Part 550, Title 5, Code of Federal Regulations; or
- (2) The severance pay fund is exhausted.

J. Reemployment; recredit of service.

- (1) When a former employee is reemployed, TSA shall record on the appointment document the number of weeks of severance pay received (including partial weeks).
- (2) If an employee again becomes entitled to severance pay while employed with TSA, TSA shall recompute the severance pay allowance on the basis of all creditable service and current age and deduct from the number of weeks, and/or dollar amount it would take to reach the maximum payable limitation on severance pay provided in paragraph E above.

7. EFFECTIVE DATE & IMPLEMENTATION:

This directive is effective immediately upon signature.



Richard A. Whitford
Assistant Administrator for Human Resources

July 22, 2004
Date

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