



Policy Name:	Severance Pay Policy		
Associated Forms:	Standard Release Agreement	Policy Number:	2025-4
Reviewed:	Non-Academic Policy Committee	Approved:	January 9, 2026
Approval Authority:	President <i>Susan Parish</i>	Adopted:	January 22, 2026
Responsible Executive:	Vice President of Human Resources	Revised:	N/A
Responsible Department:	Office of Human Resources	Contact:	Vice President of Human Resources

I. Introduction

The Policy on Severance Pay provides economic support to covered employees who are involuntarily separated from the University, in accordance with the terms and conditions set forth herein. While this Policy lays out Mercy's standard procedure, the University maintains discretion to offer more generous leave or severance pay if warranted, depending on the individual circumstances.

II. Eligibility and Conditions

Employees are considered a "covered employee" under this Policy if they are full-time, typically working a minimum of thirty-five (35) hours weekly, maintain continuous employment status and if on the date of their separation from the University, they have completed at least one year of continuous service in that capacity.

- "Continuous service" includes paid leave time or other time off taken for any purpose recognized under University policy or applicable law, as well as any break in service recognized as continuous service under University policy or applicable law.
- "Continuous service" does not include time spent as a student employee. Additionally time of service is not counted more than once where an employee works contemporaneously in two or more positions.

Employees are **not** eligible if separation occurs under the following circumstances:

- a) Resignation;
- b) Discharge for cause (including poor job performance or misconduct);
- c) Disability covered by worker's compensation or applicable state disability insurance;
- d) Retirement;
- e) A University function or service being contracted, assigned or otherwise transferred to another entity and, to continue that function or service, the employee is offered employment by the other entity within thirty (30) days of contract, assignment or transfer, provided that the employee receives a substantially similar salary (compensation); or
- f) The employee's appointment with the University ending on the fixed term end date set forth in their appointment letter

The following employees are **not covered employees** under this Policy:

- Employees subject to a collective bargaining agreement (“CBA”) when serving in their capacity as bargaining unit employees. Such employees should review the applicable CBA for any applicable guidance on notice or severance pay.
- Faculty when serving in their capacity as faculty. Faculty should review the Faculty Handbook for applicable guidance on notice or severance pay.

III. Severance Pay

Subject to the coverage provisions and conditions set forth in this policy, a covered employee is eligible for the severance pay below:

- One (1) full week of severance, at their base pay, less deductions permitted or required by law, for each full year of continuous service with the University up to ten (10) weeks.

The offer of severance will be offered for a limited duration, and shall be contingent upon a signed agreement whereby the employee agrees to waive any and all claims against the University, as set forth in the attached Release Agreement.

The University maintains discretion to offer more generous leave or severance pay if warranted, depending on individual circumstances.