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## Severance Pay

AM 205-7-1

The purpose of the severance pay program is to provide equitable compensation to certain executive-level employees (Agency Director, Deputy Director, or Bureau Head) who are not in the Civil Service ("atwill"), upon their separation from city service for a qualifying reason.

#### I. SCOPE

This policy applies to all non-civil service employees who fall under the direction and authority of the Mayor of the City of Baltimore in the capacity of a Bureau Head or above who are separating from employment for any reason that is not nonfeasance, misfeasance, or malfeasance. Severance pay is not related to employee leave payouts as described in *AM 205-7 Separation and Payment at Termination*.

#### II. DEFINITIONS

**Base pay** - An employee's salary, which may be reported as an hourly wage, weekly, semimonthly, monthly or annual salary, excluding shift differentials, temporary pay, benefits, overtime, or other similar non-base pay compensation.

*Malfeasance* – occurs when the act that caused employee separation is intentional.

*Misfeasance* – occurs when the act that caused employee separation is accidental.

*Nonfeasance* – occurs when the employee separates for failure to act when action is required.

#### III. GENERAL PROVISIONS

1. Severance pay shall be conditioned upon salaries saved by not filling the position for the period of time paid in severance and will only be paid only when funds are available in the agencies budget. Severance pay is calculated on base pay only.

Severance Pay Schedule	
Employee Tenure	Paid Working Days
Less than one (1) year	No severance allowed
At least one (1) year but less than three (3) years	10 Working Days
At least three (3) years but less than six (6) years	15 Working Days
At least six (6) years but less than ten (10) years	20 Working Days
More than ten (10) years	30 Working Days
More than twenty (20) years	35 Working Days
More than thirty (30) years	40 Working Days

- 2. Severance pay is contingent upon the non-civil service employee signing the severance agreement and waiving all claims against the City relating to termination of employment with the exception of Unemployment and Worker's Compensation laws.
- 3. Severance pay does not include any payment which an employee is entitled to for any other benefits accrued and vested to the employee.

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4. This severance policy does not and shall not create employment or compensation rights.

### IV. RELATED INFORMATION

AM 205-7 Separation and Payment at Termination

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