

## Employee Separations

## 3.2.4

### PURPOSE

This section establishes a policy and procedure for employees leaving City service because of resignation, retirement, death, or involuntary termination of employment. This section describes the steps that City employees and department representatives must complete to separate an employee from City employment. This section does not apply to contract employees.

### AUTHORITY

San José Municipal Code (Civil Service Rules), Section 3.04.1520: Resignations

An officer or employee in good standing who shall decide for any reason to leave the employ of the city shall submit a formal resignation in writing to the appointing authority at least fourteen (14) calendar days before leaving the service, and shall state therein the reason or reasons for such resignation. If an officer or employee leaves the employ of the City without submitting such a written resignation, he may be deemed to have resigned with prejudice, and a record of the same shall be made in the personnel records.

### POLICY

#### 1. Providing Notice of Separation from City Service (Form 100-4)

The Notice of Separation provides the City with written notice of an employee's intention to leave City service. Employees must submit a Notice of Separation form to their Department Director, preferably at least fourteen days before their last day of work.

#### 2. Continued group health coverage election (COBRA)

Active employee benefits are terminated on the last day of the month of separation. Employees enrolled in City healthcare plans who are separating for reasons other than gross misconduct can elect to continue group health coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Eligible employees will be sent a Notice of COBRA Eligibility to notify them of the continued coverage option. If no election is made within sixty (60) days of the separation date or the receipt of the Notice of COBRA Eligibility letter, whichever is later, the employee will lose the opportunity to continue group health coverage.

#### 3. Deferred Compensation Plan Options

Employees who are separating with a paid leave balance to be paid out (i.e. vacation or compensatory time) that wish to have the payout deferred to their Deferred Compensation account must submit required election forms to Human Resources prior to their separation date.

Employees who have an account balance in the City's Deferred Compensation Plans, either the Voluntary 457 Plan or PTC Plan, may request a distribution of funds thirty (30) days after their separation from City service.

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Employees may choose to keep funds in the City plans as long as the balance is greater than \$1000. Accounts with a balance less than \$1000 will be distributed; either rolled out to an eligible account as directed by the plan participant or paid by check as a lump sum less any federal or state income taxes.

#### 4. Retirement earnings election

All members of the Federated Retirement System and the Police and Fire Retirement System must elect how they want their retirement money distributed within ninety (90) days of the date of the notification to the retiree. Upon receipt of the employee's Notice of Separation, the Department of Retirement Services sends information regarding their distribution option and an election form. Retirement distributes funds approximately four (4) to six (6) weeks after the department receives all the necessary documents.

#### 5. Return of City property

Supervisors are responsible for ensuring that all separating employees return any City property by their last day of work. Examples of typical property items are:

- City identification card
- City driver's permit
- City parking permit (hang tag)
- ECOPass issued by Santa Clara Valley Transit Authority
- Keys to doors, desks, files, vehicles
- City Visa card
- Books, manuals
- Equipment, tools

After the employee has separated, supervisors are also responsible for taking appropriate security measures such as changing system passwords and disabling the employee's access code to City Hall.

#### 6. Reimbursement for unearned vacation time.

All separating employees who have used unearned vacation time must reimburse the City in full for time taken. The Finance Department will contact any separating employees owing money to the City.

#### 7. Designated employee statements.

Employees in designated positions must complete a Statement of Economic Interests (Form 700) before leaving City service. This form must be returned to the City Clerk.

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### PROCEDURES

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|---------------------|---|
| Employee            | <p>1. Notifies supervisor of intention to leave City service and date of separation if the separation is voluntary. If the separation is involuntary, the employee will be notified by a City representative, in a manner determined by the reason for leaving.</p> <p>Obtains Notice of Separation (Form 100-4) from the department's timekeeper or the City SharePoint site:<br/> <a href="https://sanjoseca.sharepoint.com/sites/HRHub">https://sanjoseca.sharepoint.com/sites/HRHub</a></p> |
| Supervisor          | <p>2. Provides Statement of Economic Interests (Form 700) if the separating employee is in a designated position. On the separation date, collects City property from the separating employee.</p>  |
| Employee            | <p>3. Submits the completed Notice of Separation to the Department Director fourteen (14) days before the last day of work.</p> <p>Submits the Statement of Economic Interests (Form 700) to the City Clerk if applicable.</p>  |
| Department Director | <p>4. Signs the Notice of Separation and routes it to the Department of Human Resources as soon as possible. If the employee fails to complete the form before his/her last day of work, the department director must complete the Employee Data Section, indicate that the employee is "unavailable for signature," and sign the Notice of Separation before routing it to the Department of Human Resources.</p>  |
| Human Resources     | <p>5. Completes transaction in automated system and coordinates necessary actions:</p> <ul style="list-style-type: none"> <li>• Initiates the Notice of COBRA eligibility letter to the employee if eligible.</li> <li>• Contacts separating employees with funds in the deferred compensation system regarding their distribution options.</li> <li>• Retains the original Notice of Separation in the employee's personnel file.</li> </ul>   |
| Finance             | <p>6. Calculates retirement contribution and compensation time refunds, and deducts any monies owed for unearned vacation time used.</p>  |
| Retirement          | <p>7. Notifies separating employees who are members of the Federated Retirement System or the Police and Fire Retirement System of their retirement distribution options.</p>   |

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Approved:

\_\_\_\_\_  
/s/ Jennifer Schembri  
Deputy City Manager  
Acting Director of the City Manager's  
Office of Employee Relations/  
Human Resources Department

\_\_\_\_\_  
January 22, 2025  
Date

Approved for posting:

\_\_\_\_\_  
/s/ Jennifer A. Maguire  
City Manager

\_\_\_\_\_  
January 22, 2025  
Date