

Argonne National Laboratory Prime Contract**Appendix A Advance Understandings on Human Resources**

Last revised: August 15, 2012

SECTION V - PAYMENTS ON SEPARATION

- a. **Reduction in Force (RIF).** When employees are terminated due to a RIF, the following costs are allowable:

1. **Pay in lieu of notice.** Any employee who is laid off or terminated due to a RIF may be given pay in lieu of the required minimum written notice of termination. Accumulated vacation credit is also paid.

2. **Severance pay benefit.** The severance payment shall be calculated as follows:

Exempt Employees: 2% of current annual salary multiplied by each year of service (partial years are computed to the nearest tenth of a year), with a minimum benefit of one (1) month's salary, and maximum benefit of 25% of current annual salary.

Non-Exempt Employees: 5 day's pay for one year of service, and 2.5 day's pay for each additional year, with a maximum benefit of 65 day's pay. A day's pay is eight times the basic hourly rate in effect on the date of notice of termination. Full-time equivalent service of six months or more in a year is counted as one year of service.

Under an approved workforce reduction plan, severance payments may be made at the Contractor's option to an employee within a reduction-in-force grouping who is not scheduled for termination but who offers to terminate employment, thereby eliminating the need for terminating another employee involuntarily.

- b. **Payments upon termination other than RIF.**

1. **Sick leave.** Accumulated sick leave is not payable upon termination and may not be used beyond a predetermined date of termination.

2. **Vacation.** Accumulated vacation is payable at termination at the rate in effect as of the date of termination, including any shift differential.