Termination Process:
In Effect:
Review Date:
Responsible Office: Office of the Comptroller

Termination: Policy and Procedures

Policy

I. Purpose

To establish the policy and procedures regarding the timely processing of the termination notice to the Payroll Department for employees separating from the University, either voluntarily or involuntarily.

NOTE: A specific payroll system transaction is required to terminate individuals as active employees of the University. Ending the current pay distribution will prevent the individual from receiving compensation, but will not result in termination of the employee in the Penn Payroll/Personnel System and could result in the University paying unnecessarily for certain benefit continuation costs. These costs will be transferred to the employee’s home department.

II. Statement of Policy

A. It is the responsibility of the employee’s home department to document the termination and to terminate the employee from the payroll system (Human Resources Policy No. 629).

   The separating employee’s home department is responsible for updating the Penn Payroll/Personnel System for the termination in a timely manner (Office of Vice President for Finance Policy 2411).

B. For all paid employees, the termination should be processed on the Penn Payroll/Personnel System as soon as the department becomes aware that the employee is terminating. If the payroll termination action is after a payroll cutoff date that would result in the employee being overpaid, the department must immediately notify the Payroll Department, in writing, of the termination (Policies 2410 and 2411). The department is responsible for collecting any overpayments from terminated employees.
C. If extra payments to employees, benefit carriers or other third parties result from a department not properly terminating an individual’s employment in a timely manner, the department will be assessed the total of the payments made as well as the cost of any additional administrative effort (Policy 2411 and HR Policy No. 629).

D. Departments are expected to see that all University property is returned by the employee to the appropriate office upon termination (Policy 2411 and HR Policy No. 629). This includes:

- Keys,
- Penn Identification Card,
- Transaction Authorization Card,
- Access to Penn administrative systems,
- Computer or other University equipment used at home,
- University Sponsored Charge Card,
- Library books, and
- Any other University property in the possession of the employee.

E. An employee who terminates from university service is entitled to payment for unused paid time off (Policy 2412 and HR Policy 607).

F. When a discontinuation of staff position occurs and results in a pay continuation to an employee, the termination of the employee and the pay continuation will be executed by Human Resources in accordance with Position Discontinuation and Staff Reduction Policy No. 628.

III. Responsibilities:

A. The Office of Comptroller is responsible for ensuring that salary or wage payments are made to an employee in accordance with existing human resource policies as established by:

- the Provost, for academic staff,
- the Human Resources Office, for non-academic staff, and
- negotiation agreements for bargaining unit staff.

B. The Department Business Administrator is responsible for notifying the Payroll Department of the termination, submitting termination documentation to the Human Resources Records Office, terminating the employee in the Penn Payroll/Personnel System (except for terminations occurring as a result of a plan for reduction in force, see D2 below), and submitting gross pay amounts due to the separating employee in a timely manner (except for any plan for reduction in force, see D2 below).

B.1. The Department Business Administrator is also responsible for ensuring the return of all University property upon termination and ensuring that the employee’s access to Penn administrative systems is terminated.
B.2. The Department Business Administrator is responsible for calculating the amount due the employee for unused paid time off.

C. The Vice President for Human Resources is required to approve any plan for reduction in force prior to any pay continuation payments.

C.1. The appropriate Dean, Director, Vice Provost, or Vice President must also approve any plan for reduction in force prior to any pay continuation payment and forward the approval to the Vice President for Human Resources in accordance with procedures outlined in the Human Resources Policy Manual.

C.2. For a termination occurring as result of a plan in reduction in force or position discontinuation, the Human Resources Department is responsible for calculating pay continuation amounts and terminating the employee record in the Penn Payroll/Personnel System.

D. The Payroll Department is responsible for timely preparation of paychecks and required reports.

E. The Human Resources Records Office receives documentation from the Department Business Administrator about the termination and includes it in the employee’s personnel file.

F. The Penn Benefits Center is responsible for termination of employee benefits and notifying the terminated employee of their options for continuation of benefits.

IV. Procedures:

A. The Department Business Administrator is responsible for updating the Penn Payroll/Personnel System for all terminated employees (except under a plan for reduction in force, see III C.2 above), and sending documentation about the termination to the Human Resources Records Office for inclusion in the employee’s personnel file.

A.1. When terminating someone’s record, the Department Business Administrator should confirm that the terminating employee does not have another active job in another department. For terminating employees with an active record in another department, the Department Business Administrator is to contact that department and make arrangements to transfer the record. Failure to do so may cause the employee to miss a paycheck.

A.2. The Department Business Administrator calculates the amount due the employee for unused paid time off for exempt employees in accordance with the guidance provided in the Penn Payroll/Personnel Procedures Manual, Chapter 1.
non-exempt employees, the Penn Payroll/Personnel System maintains a balance of unused vacation time.

A.3. **The Department Business Administrator obtains University property from the terminating employee** and returns it to the appropriate University department. **The Department Business Administrator ensures that the employee’s access to administrative systems is terminated.**

A.4. **The Department Business Administrator submits an additional pay form** to the Payroll Department for amounts due terminated employees.

A.5. **The Department Business Administrator updates the status of the terminated employee** in the Penn Payroll/Personnel System from active to terminated (except for employees terminated as a result of a plan for reduction in force, see III C.2 above). **The Department Administrator also inputs the appropriate code describing the reason for termination** as prescribed by Human Resources Policy No. 623.

A.6. **The Department Business Administrator sends a copy of the termination letter**, where applicable, to the Human Resources Records Office for filing in the employee file.

A.7. **The Department Business Administrator must terminate all faculty appointments**, as stipulated in the Provost’s Staff Conference minutes, for all effected employees.

B. The Payroll Department processes the amounts due to employees.

C. The Penn Benefits Center notifies benefits carriers that the benefits should be ended, or that the terminated employee should be billed for continuing costs for the benefits.

C.1. The Penn Benefits Center notifies the terminated employee of options for continuation of benefits and the process for continuance in accordance with federal COBRA regulations.

D. The Human Resources Records Office receives a copy of the employee termination letter from the Department Business Administrator and files it in the employee’s file.

V. **Related References:**

A. Web site: [http://www.hr.upenn.edu/policy](http://www.hr.upenn.edu/policy)

B. Web site: [http://www.upenn.edu/administration/policies.html](http://www.upenn.edu/administration/policies.html)


E. Handbook for Faculty and Academic Administrators.