

ARLINGTON SEVERANCE FUND

This policy establishes the use of a special revenue fund, 035 Severance Fund, to be used for the accumulation and payment of termination benefits (severance pay). The following guidelines apply.

1. In January of each year the Board of Education may approve the transfer of funds from the General Fund to the Severance Fund.
2. The maximum balance of the Severance Fund may not exceed two (2) times the calculated retirement transfer for that year.
3. The Severance Fund will be used to pay both certified and non-certified employees' severance payments.
4. The Severance Fund will be expended first and when the maximum has been spent for that year, the remaining severance payments will be expended from the General Fund.
5. The transfer of funds from the General Fund to the Severance Fund will be calculated as follows:

Employees with 25-26 years experience	25% of Retirement Estimate
Employees with 27-28 years experience	50% of Retirement Estimate
Employees with 29 years experience	75% of Retirement Estimate
Employees with 30 years experience	100% of Retirement Estimate

Adoption date: July 22, 2008