

## **Review of Severance Agreements in Employment Contracts**

The July 2005 JLARC special report on the severance package for the former director of the Virginia Retirement System identified a potential area of concern across other State agencies. Specifically, the VRS situation raises the question about the extent to which other agencies may have developed similar contractual arrangements with officers and employees. A review of how agencies apply the Workforce Transition Act, and the extent to which agencies may have developed other severance agreements, would address this concern. The JLARC review would focus on seven questions:

- Which officers and employees of State agencies are hired with employment contracts?
- Are any of the employment contracts of officers or employees of State agencies not provided for or required by statute?
- Do any employment contracts provide for the terms of severance, including the amount of any severance for termination pay?
- In any employment contracts specifying the terms of severance, are the terms consistent with the provisions of the Workforce Transition Act?
- Are any of the officers or employees of State agencies with severance terms in employment contracts exempt from the provisions of the Workforce Transition Act?
- Are any additions to or clarifications of the termination and severance provisions of the Workforce Transition Act necessary, including which entities should be included in its scope?
- Have any of the employment contracts of officers and employees been improperly restricted from disclosure under the provisions of the Virginia Freedom of Information Act?

**Approved by the Commission, October 11, 2005**