

# Severance & Separation Benefits

2017-2018 | Seventh Edition

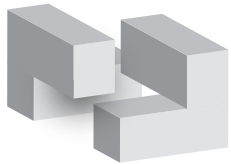
*A U.S. Study providing benchmarks and insights to help organizations and HR teams impacted by a workforce transformation imperative make informed severance and separation decisions as part of their people strategy.*



**LEE HECHT  
HARRISON**

**CR** COMPENSATION  
RESOURCES, INC.

Our research confirms that **severance is a fundamental building block** in the relationship between employer and employee. It is both widely expected and widely provided.



We're experiencing a period of unprecedented change. Business as we know it has been disrupted by the onset of new digital technologies; threats from nontraditional competitors; reinvention of work; and sweeping demographic changes in the workforce.

In response to this change, organizations are transforming themselves to remain relevant and successful in this new landscape. Many are at critical inflection points, determining the best strategies to move forward. With constant and profound transformation disrupting today's workforce, it has never been more important for employers to offer severance and separation benefits that are competitive and support employees in a smooth career transition.

In the seventh edition of the Lee Hecht Harrison Severance & Separation Benefits Benchmark Study, we look at the reasons why severance is offered, how severance is typically calculated at various levels of employment, and what common severance and separation benefits, such as outplacement and redeployment, are offered.

Severance and separation benefits are a key element in a continuum that starts with talent acquisition and extends through to those impacted by termination. When delivered effectively, these benefits can reduce the risk of litigation, while maintaining a strong employer brand.

This study offers insights on trends and best practices related to severance and separation benefits. The information is designed to help you strategize, plan and implement your own organization's practices. Our study provides the key benchmarks necessary to update or establish your organization's severance and separation programs to remain competitive in today's environment and ensure you are building and protecting your reputation as an employer of choice.

SEVERANCE & SEPARATION BENEFITS

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# About our study

At Lee Hecht Harrison, we believe that severance will continue to be an important part of the employer-employee relationship and a key building block in a people strategy that includes the development of an effective employer brand that attracts great talent. The objective of the 2017-2018 Severance & Separation Benefits Benchmark Study—the product of a partnership between Compensation Resources, Inc. and Lee Hecht Harrison—is to help organizations and HR teams successfully achieve a workforce transformation imperative driven by continuous and dynamic change. The study provides meaningful metrics and insights that will help you design and administer your own severance and separation benefits and policies.

We surveyed 350 individuals in the United States, representing senior human resource executives and leaders who are responsible for helping their organizations manage talent. There was a cross section of more than 20 industries represented and organizations that ranged in size from fewer than 100 employees to more than 25,000 employees.

The main topics explored in this study include severance, outplacement, redeployment, stay bonuses and early retirement programs.

## HOW TO READ THIS DATA

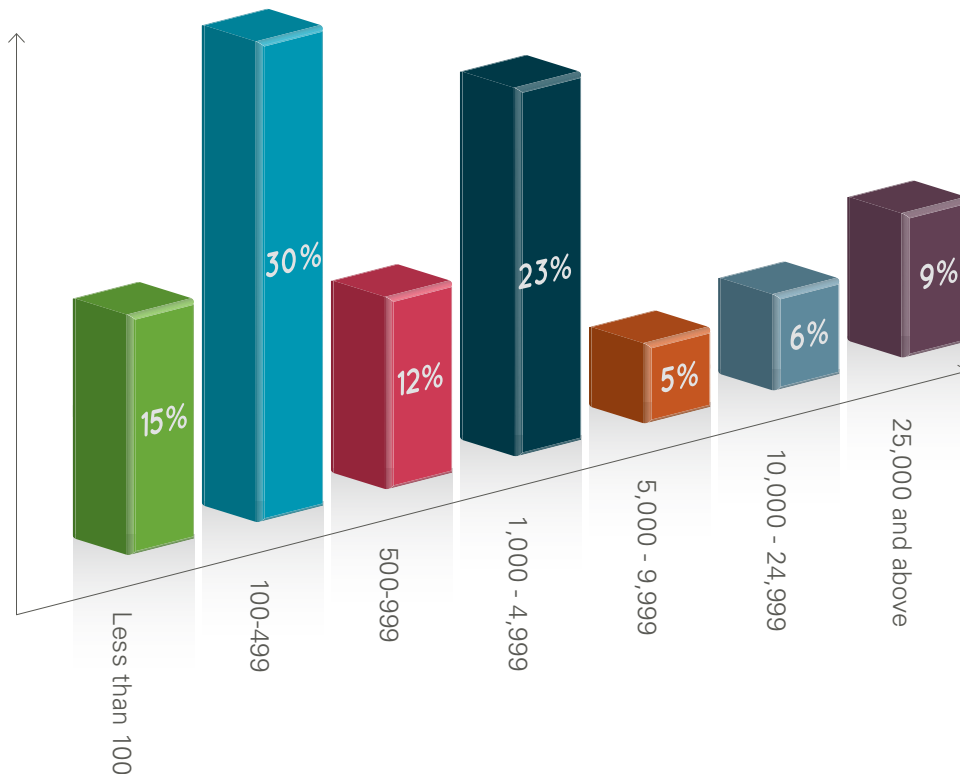
All percentages were rounded up or down to the nearest whole number.

Therefore, in some cases where respondents could choose only one answer, totals may not equal 100%. In other cases where respondents could select more than one answer per question, totals may be greater than 100%.

Historical data comparisons from our 2011 study are shown throughout this report where applicable.

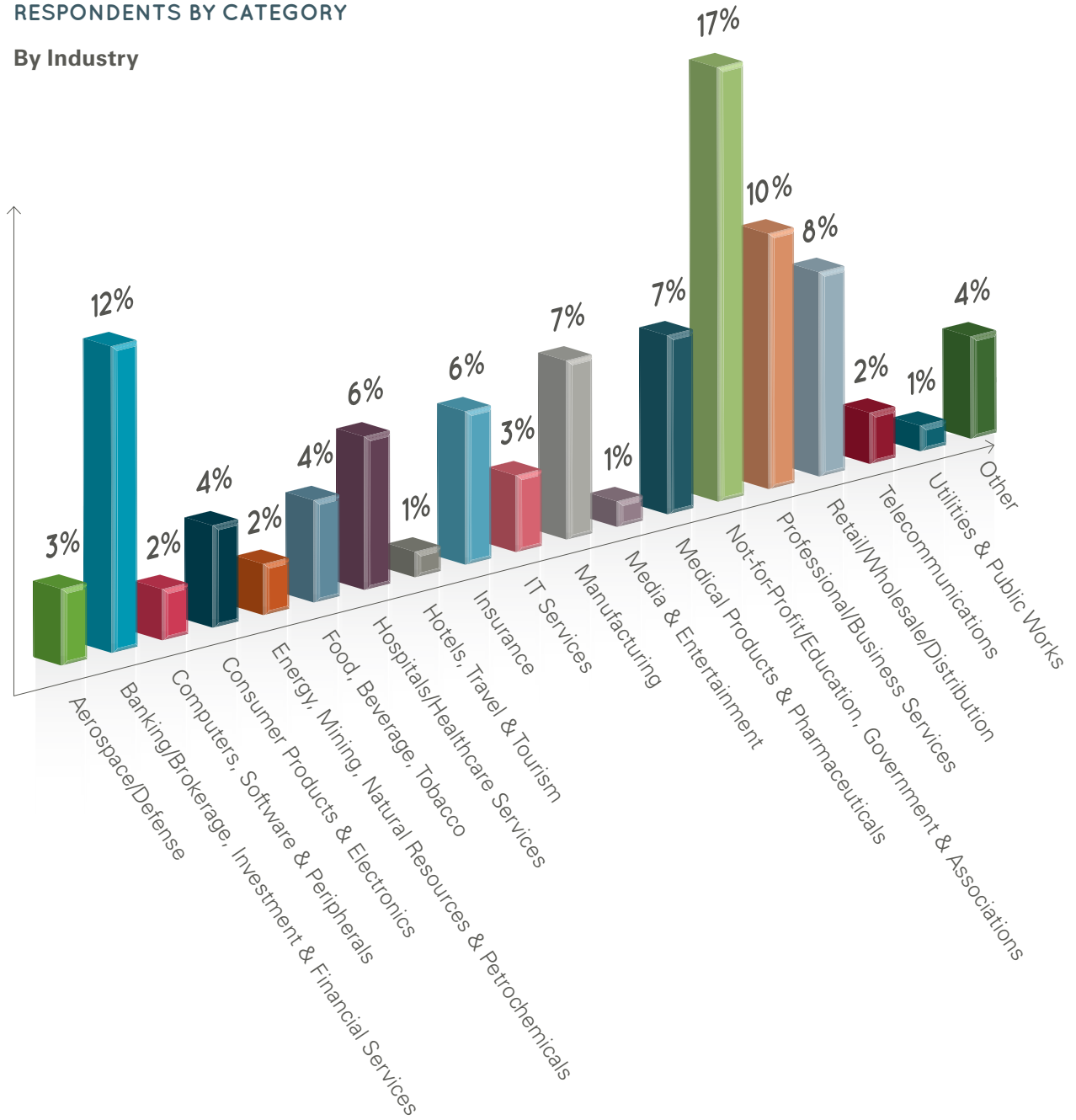
## RESPONDENTS BY CATEGORY

### By Company Size (Number of Employees)



## RESPONDENTS BY CATEGORY

### By Industry





# Key findings

Regardless of an employee's level or function, or the cause of the termination, severance is firmly entrenched as a standard feature of the relationship between employee and employer. Our study showed that 97% of all respondent companies offered some sort of severance benefit. The high level of prevalence confirms an important fact about the labor market: organizations understand and are fully aware that offering severance is inextricably connected to their employer brand.

And yet, the manner in which severance is provided and defined varies significantly from company to company.

There is a modest trend away from formal severance programs. Just over half of all companies studied (55%) said they had a formal policy; that is down noticeably from 2011, when nearly two-thirds (63%) had formal, written policies in place. There is also no dominant method of communication of these policies; a clear majority of companies do communicate the details through regular HR bulletins or emails, but few (21%) include it in an employee handbook. And more than half (59%) of companies said severance was not included in formal employment agreements.

The study showed that nearly all (92%) respondents require a release from employees in

exchange for severance. However, the number of companies with a process to appeal severance packages is going up. Nearly one-quarter (24%) of companies have such a process in place, up from just 15% in our 2011 study.

The increase in the allowance of an appeals process could be connected to other trends as well. The study showed that slightly fewer companies are offering enhanced severance benefits in exchange for a signed release which terminates any legal liability between the employer and the employee. As well, significantly fewer companies are relying on hard minimums and maximums for total severance amounts. Now, nearly half of all respondent companies (48%) have no set upper and lower limits on severance, up from just 29% in our 2011 study.

Severance has also become less generous when termination is the result of a merger or acquisition. The study showed a steady decline in the number of companies offering enhanced severance—from payouts to extended health and supplemental benefits and vesting of stock options—in the event of a merger or acquisition.



## KEY FINDINGS

1. Detailed reviews of severance policies are still an important priority, even though the pace has slowed.
2. Redeploying talent—as opposed to simply laying them off—is an underutilized strategy.
3. Severance remains a standard benefit at all levels of an organization.
4. Significantly fewer organizations are applying hard minimums and maximums on severance payouts.
5. Fewer organizations have written, formal policies in place to define severance.
6. There has been an upswing in the number of organizations allowing a formal process for the negotiation or appeal of severance benefits.



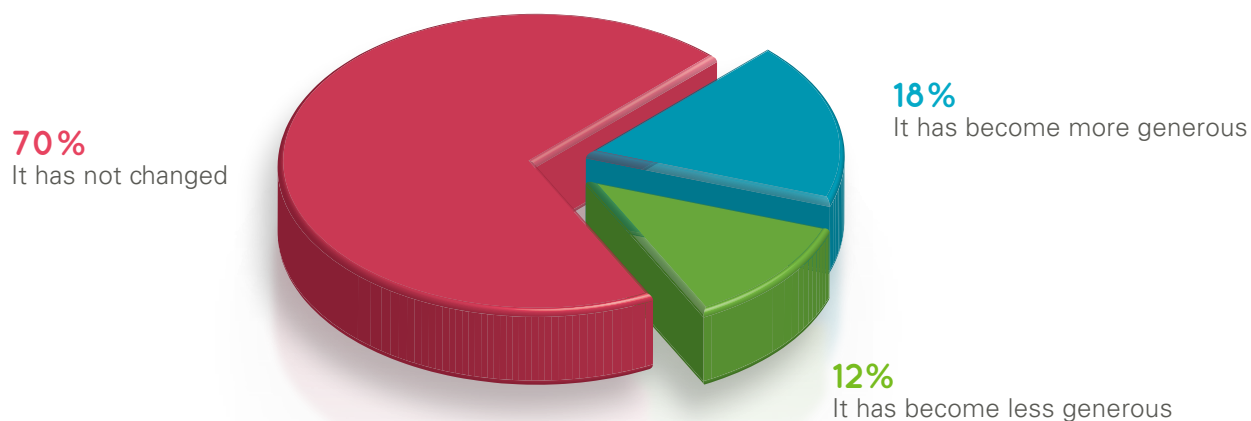
## 1. Detailed reviews of severance policies are still an important priority, even though the pace has slowed.

Reflecting the fact that the labor market is less volatile than it was just a few years ago, less than half of the respondent companies (47%) reviewed their severance policy in the past year. That is down significantly from the results in our 2011 study, when two-thirds (66%) had performed a review in the year previous. However, the vast majority (81%) reviewed their policies within the last four years, suggesting that it remains a priority. Most (70%) left benefits unchanged, with 18% increasing severance benefits and 12% offering decreased benefits.

### REGARDLESS OF WHETHER YOUR SEVERANCE POLICY IS FORMAL OR INFORMAL, WHEN WAS THE LAST TIME YOUR ORGANIZATION REVIEWED IT?

Timeframe	2017	2011
Within the last year	47%	66%
Within the last 2 years	20%	15%
Within the last 3 years	11%	7%
Within the last 4 years	2%	2%
Over 4 years ago	8%	1%
Don't know	12%	9%

### HOW HAS YOUR ORGANIZATION'S SEVERANCE POLICY CHANGED IN THE LAST THREE YEARS?



## 2. Redeploying talent—as opposed to simply laying them off—is an underutilized strategy.

When workforce transformation necessitates a reduction in force, many companies see enormous value when redeploying talent (identifying opportunities somewhere else in the organization where an employee’s skills can be utilized vs. letting an employee go). Internal talent management systems that match employees with open internal positions can help retain valued talent, build a strong employer brand, foster engagement and increased job satisfaction, eliminate risk from high turnover and, ultimately, reduce severance costs. Despite this, nearly two-thirds of respondent companies (62%) admit they have not compared the cost of terminating employees to the cost of redeploying them. That is up noticeably from our 2011 results, when just over half (52%) reported they had not considered redeployment as an option.

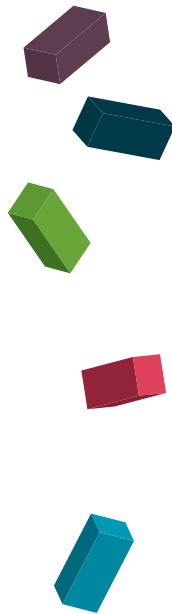
The number of companies actually putting a redeployment strategy into effect has also been falling. Of those companies that have at least considered redeployment, only 19% took the idea through to implementation, down from 26% in our 2011 study. Not surprisingly, even among those companies that do consider redeployment, uptake is minimal: in 2017, respondents said only 3.5% of individuals who were downsized were rehired through redeployment initiatives.

### HAS YOUR ORGANIZATION COMPARED THE COST OF TERMINATING EMPLOYEES TO THE COST OF REDEPLOYING THEM (MOVING EMPLOYEES ELSEWHERE IN THE ORGANIZATION WHERE THEIR SKILLS CAN BE UTILIZED)?

Cost Comparison	2017	2011
Yes, and we implemented a redeployment initiative as a result of the analysis	19%	26%
Yes, but we did not implement a redeployment initiative	20%	22%
No	61%	52%

### 3. Severance remains a standard benefit at all levels of an organization.

Laws vary from jurisdiction to jurisdiction and, as a result, severance pay isn't always legally mandated. In general, however, our study found that the majority of employers offer some sort of severance through a variety of scenarios, particularly when there is a facility closing or a large downsizing. These findings were very consistent with the results of our 2011 study.



#### WHO IS ELIGIBLE FOR SEVERANCE?

Position Level (Employee Group)	2017	
	Yes	No
C-Suite	89%	11%
Senior Management	95%	5%
Directors	91%	9%
Managers	93%	7%
Supervisors	91%	9%
Professional/Technical	92%	8%
Exempt	90%	10%
Non-Exempt	86%	14%

#### UNDER WHICH CIRCUMSTANCE(S) DOES YOUR COMPANY PROVIDE SEVERANCE TO EMPLOYEES?

CHECK ALL THAT APPLY

Circumstance	Yes
Termination due to reduction in force or corporate restructuring	88%
Involuntary termination	62%
Change of control (double trigger)	17%
Change of control (single trigger)	16%
Termination for cause	13%
Voluntary termination	11%
Retirement	6%
Death	3%
Disability	3%
Other	7%

## 4. Significantly fewer organizations are applying hard minimums and maximums on severance payouts.

While fewer organizations implement minimum and maximum severance amounts, for those that do (52%), C-suite executives see the highest payouts with an average minimum of 23 weeks and a maximum of 45 weeks, while non-exempt employees see payouts with an average minimum of four weeks and a maximum of 25 weeks.

### DOES YOUR POLICY HAVE MINIMUM AND MAXIMUM SEVERANCE AMOUNTS?

Min/Max Policy	2017		2011	
	Yes	No	Yes	No
Minimum	52%	48%	74%	26%
Maximum	52%	48%	71%	29%

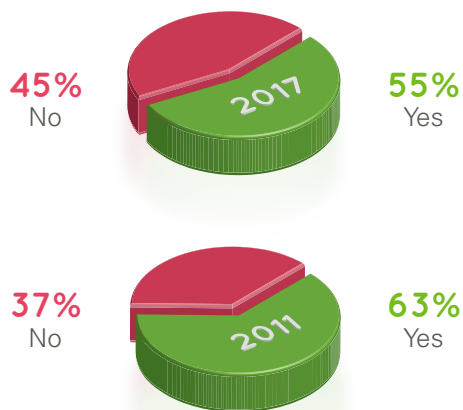
### AVERAGE MINIMUM AND MAXIMUM WEEKS BY POSITION LEVEL

Position Level (Employee Group)	Average Minimum # Weeks	Average Maximum # Weeks
C-Suite	22.9	44.7
Senior Management	16.1	39.0
Directors	8.9	32.2
Managers	6.0	29.3
Supervisors	5.2	27.4
Professional/Technical	4.9	27.3
Exempt	5.0	27.1
Non-Exempt	4.2	25.3

## 5. Fewer organizations have written, formal policies in place to define severance.

Nearly all respondents (97%) provide some sort of severance and separation benefits. And yet, only 55% of companies surveyed in 2017 have a formal, written severance policy, down from 63% in 2011. Over half (59%) reported that severance is not defined in employment agreements and one-third of organizations do not document their severance policies.

### DOES YOUR ORGANIZATION HAVE A FORMAL SEVERANCE POLICY?



### IS SEVERANCE DEFINED IN YOUR EMPLOYMENT AGREEMENTS?

Defined in Agreement	%
No	59%
Yes, for top executives	18%
Yes, for top executives & others covered by employment agreements	23%

### HOW IS YOUR SEVERANCE PLAN DOCUMENTED?

Documentation	%
Written plan document	36%
General written guidelines	28%
No written documents	30%
Other	6%

## 6. There has been an upswing in the number of organizations allowing a formal process for the negotiation or appeal of severance benefits.

While most companies in our study did require a release in exchange for benefits (92%), the provision of an appeal process to challenge or negotiate severance is on the rise (24% in 2017 vs. 15% in 2011). Enhanced severance for signing a release, however, is declining (15% in 2017 vs. 21% in 2011).

### DOES YOUR POLICY HAVE MINIMUM AND MAXIMUM SEVERANCE AMOUNTS?

Policy	2017		2011	
	Yes	No	Yes	No
Require a release (an agreement not to sue the organization) in exchange for severance?	92%	8%	93%	7%
Require a release in exchange for outplacement?	54%	46%	60%	40%
Have a process by which employees can appeal or negotiate their severance package?	24%	76%	15%	85%
Enhanced severance for employees who sign a release?	15%	86%	21%	79%
Stop severance payments as soon as an individual finds new employment?	10%	90%	9%	91%

# Severance benefits and practices

Companies need to be consistent and competitive in their severance practices. Fair and effective severance is a key element in protecting their employer brands, which in turn is essential to their ability to attract quality talent. Benchmarking is critical so that organizations can assess, compare and structure their severance and separation practices to remain competitive. The following information provides benchmarks that you can use to inform your own organization's severance benefits and practices.





## Policy

Nearly all companies surveyed (97%) provide some sort of severance and separation benefits. Yet, only 55% reported having a formal, written severance policy; 59% reported that severance is not defined in employment agreements; and one-third of organizations do not document their severance policies.

Companies provide access to severance policy information via employee handbooks just 21% of the time. Most companies (92%) require a signed release or agreement not to sue in exchange for severance, while 54% require a signed release in exchange for outplacement.

### REGARDLESS OF WHETHER YOU HAVE A FORMAL SEVERANCE POLICY, DOES YOUR ORGANIZATION PAY SEVERANCE?

Severance Payments	%
Yes	97%
No	3%

### DOES YOUR ORGANIZATION HAVE A FORMAL SEVERANCE POLICY?

Formal Severance Policy	2017	2011
Yes	55%	63%
No	45%	37%

### DOES YOUR ORGANIZATION HAVE A FORMAL SEVERANCE POLICY (BY POSITION LEVEL/EMPLOYEE GROUP)?

Position Level (Employee Group)	Yes	No
C-Suite	53%	47%
Senior Management	57%	43%
Directors	54%	46%
Managers	56%	44%
Supervisors	55%	45%
Professional/Technical	55%	45%
Exempt	55%	45%
Non-Exempt	53%	47%

### HOW IS YOUR SEVERANCE PLAN DOCUMENTED?

Documentation	%
Written plan document	36%
General written guidelines	28%
No written documents	30%
Other (Most common response: informal verbal communication)	6%

Severance policies are communicated to employees via various channels, but organizations have not embraced any generally accepted rules for dissemination of severance benefit information, with only one in five respondent companies (21%) outlining their policies in employee handbooks.

### HOW IS YOUR SEVERANCE POLICY COMMUNICATED TO EMPLOYEES?

Communication Method	%
Employee handbook	21%
Online resource	20%
Supervisor/Manager	18%
Not communicated	15%
Company meeting	6%
Outside consultant	1%
Human Resources	9%
Other	25%

A clear majority of companies (59%) in our study did not define separation and severance benefits in employment agreements.

### IS SEVERANCE DEFINED IN YOUR EMPLOYMENT AGREEMENTS?

Defined in Agreement	%
No	59%
Yes, for top executives	18%
Yes, for top executives and others covered by employment agreements	23%

### DOES YOUR POLICY APPLY THE FOLLOWING CONDITIONS TO SEVERANCE POLICIES?

Policy	2017		2011	
	Yes	No	Yes	No
Require a release (an agreement not to sue the organization) in exchange for severance?	92%	8%	93%	7%
Require a release in exchange for outplacement?	54%	46%	60%	40%
Have a process by which employees can appeal or negotiate their severance package?	24%	76%	15%	85%
Enhanced severance for employees who sign a release?	15%	86%	21%	79%
Stop severance payments as soon as an individual finds new employment?	10%	90%	9%	91%

## Severance eligibility and provisions

The most common (37%) method of determining a final severance payout is a flat number of weeks based on years of service, followed closely by position level and years of service (25%). Just over one in five companies (17%) have no set formula.

### WHAT FORMULA IS USED IN DETERMINING SEVERANCE?

Severance Formula	%
Flat number of weeks for all employees	3%
Flat number of weeks based on years of service for all employees	37%
Flat number of weeks by position level	3%
By position level and years of service	25%
Other set formula	15%
No set formula	17%

Only three percent of respondents calculate severance using a formula based on a flat number of weeks for all employees. Responses ranged from one to 12 weeks, with an average of 2.2 weeks.

#### Flat Number of Weeks for All Employees

1 week	60%
2 weeks	27%
3-4 weeks	7%
More than 5 weeks	7%

More than one-third of respondents (37%) calculate severance using a formula that provides a flat number of weeks based on years of service for all employees. Responses ranged from one to four weeks, with an average of 1.6 weeks.

#### Flat Number of Weeks Based on Years of Service for All Employees

1 week	51%
2 weeks	43%
3-4 weeks	6%
More than 5 weeks	0%

Just three percent of respondents calculated severance using a formula based on a flat number of weeks by position level. Averages vary widely based on position level (employee group).

Flat Number of Weeks by Position Level (Employee Group)	Average number of weeks
C-Suite	61.6
Senior Management	31.2
Director	18.8
Manager	8.8
Supervisor	10.0
Professional/Technical	10.4
Exempt	9.0
Non-Exempt	6.8

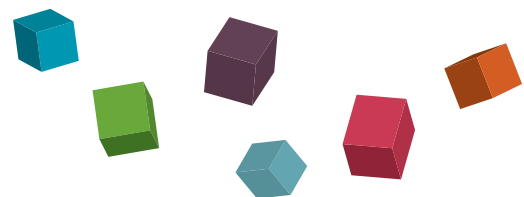
One in four companies (25%) calculate severance using a formula based on position level and years of service

<b>Position Level (Employee Group)</b>	<b>Average number of weeks based on years of service</b>
CEO	4.0
Senior Management	3.6
Director	3.7
Manager	2.4
Supervisor	2.0
Professional/Technical	2.0
Exempt	1.9
Non-Exempt	1.7

Fifteen percent of respondents calculate severance using other formulas; some are more standardized while others provide significant variation depending on level and tenure. Formulas include factors such as base salary, bonus structure, pay grade and standard payouts with enhancements based on years of service.

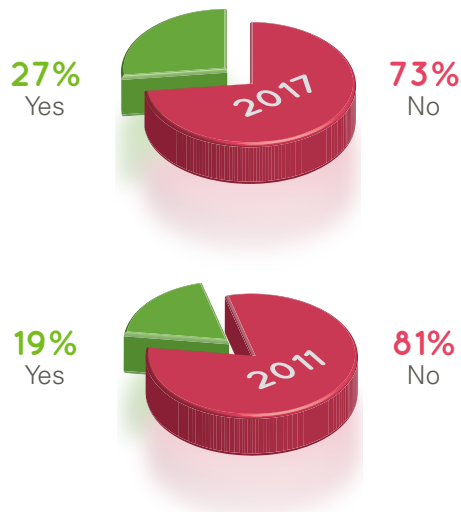
#### **Examples of other formulas shared by respondents in the survey include:**

- Percentage of base salary, plus a flat number of weeks based on years of service that varies by position
- Standard two weeks base, plus one week per year of service
- Flat number of weeks for blocks of years of service
- Graded scale based on years of service
- Years of service, position and bonus structure
- Standard nine weeks base, plus one week per year of service
- Lump sum based on position level, plus two weeks per year of service
- Flat number of weeks that varies by position, plus additional weeks per year of service which varies by position



The use of a graduated scale for years of service has increased since the 2011 study, from just one-in-five companies, to one-in-four.

**DO YOU ALSO USE A GRADUATED SCALE (I.E., THE NUMBER OF WEEKS OF SEVERANCE PER YEAR OF SERVICE INCREASES AFTER INDIVIDUALS HAVE MET CERTAIN LENGTH OF SERVICE THRESHOLDS, SUCH AS FIVE OR 10 YEARS)?**



While fewer organizations implement minimum and maximum severance amounts, for those that do (52%), C-suite executives see the highest payouts with an average minimum of 23 weeks and a maximum average of 45 weeks, while non-exempt employees see payouts with an average minimum of four weeks and a maximum average of 25 weeks.

**DOES YOUR POLICY HAVE MINIMUM AND MAXIMUM SEVERANCE AMOUNTS?**

Min/Max Policy	2017		2011	
	Yes	No	Yes	No
Minimum	52%	48%	74%	26%
Maximum	52%	48%	71%	29%

**AVERAGE MINIMUM AND MAXIMUM WEEKS BY POSITION LEVEL (EMPLOYEE GROUP):**

Position Level (Employee Group)	Average Minimum # Weeks	Average Maximum # Weeks
C-Suite	22.9	44.7
Senior Management	16.1	39.0
Director	8.9	32.2
Manager	6.0	29.3
Supervisor	5.2	27.4
Professional/Technical	4.9	27.3
Exempt	5.0	27.1
Non-Exempt	4.2	25.3

## IF YOUR COMPANY HAS A MINIMUM NUMBER OF WEEKS OF SEVERANCE PAY, WHAT IS IT?

<b>C-Suite Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	25%	0%
3-4 weeks	22%	3%
5-8 weeks	3%	1%
9-12 weeks	10%	9%
13-23 weeks	4%	8%
24-52 weeks	25%	60%
More than 52 weeks	11%	19%

<b>Senior Manager Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	25%	0%
3-4 weeks	22%	3%
5-8 weeks	6%	2%
9-12 weeks	12%	9%
13-23 weeks	6%	7%
24-52 weeks	26%	71%
More than 52 weeks	4%	9%

<b>Director Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	26%	1%
3-4 weeks	30%	2%
5-8 weeks	9%	3%
9-12 weeks	15%	12%
13-23 weeks	9%	8%
24-52 weeks	11%	73%
More than 52 weeks	1%	1%

<b>Manager Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	36%	1%
3-4 weeks	30%	2%
5-8 weeks	17%	5%
9-12 weeks	9%	11%
13-23 weeks	6%	10%
24-52 weeks	2%	70%
More than 52 weeks	1%	1%

<b>Supervisor Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	35%	1%
3-4 weeks	37%	4%
5-8 weeks	15%	3%
9-12 weeks	7%	15%
13-23 weeks	5%	11%
24-52 weeks	1%	65%
More than 52 weeks	1%	1%

<b>Professional/ Technical Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	37%	1%
3-4 weeks	38%	3%
5-8 weeks	15%	3%
9-12 weeks	6%	17%
13-23 weeks	3%	13%
24-52 weeks	1%	63%
More than 52 weeks	1%	1%

<b>Exempt Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	37%	1%
3-4 weeks	38%	4%
5-8 weeks	13%	4%
9-12 weeks	7%	18%
13-23 weeks	3%	10%
24-52 weeks	1%	63%
More than 52 weeks	1%	1%

<b>Non-Exempt Level</b>	<b>Minimum</b>	<b>Maximum</b>
1-2 weeks	47%	1%
3-4 weeks	34%	5%
5-8 weeks	11%	6%
9-12 weeks	4%	19%
13-23 weeks	3%	13%
24-52 weeks	0%	56%
More than 52 weeks	1%	1%

More than half of the companies (58%) in our study prefer to pay severance in a lump sum payment, while 35% pay severance on a normal payroll cycle. Only 7% chose to offer recipients severance on a normal payroll cycle but stop when re-employed.

#### IN GENERAL, HOW IS SEVERANCE PAYABLE?

Form of Payment	%
Payable in a lump sum	58%
Payable on the normal payroll cycle	35%
Payable on the normal payroll cycle but stopped when re-employed	7%

Severance for re-hired employees is complicated by the fact that nearly half of all companies (45%) in our study have no specific policy on the matter. The remaining companies are evenly split between calculating from the new hire date and the original hire date.

#### HOW IS SEVERANCE CALCULATED FOR RE-HIRES?

Severance Calculation	%
Starting from new hire date	28%
Starting from original or adjusted hire date	27%
No specific policy	45%



## Change-of-control agreements

Mergers and acquisitions present special challenges in the provision of severance and separation benefits. Our study shows that a little more than one-quarter of companies (27%) make special provisions in the event that there is a change of control. For those that do make special provisions, enhanced or more generous benefits are the most likely option. Generally, C-suite executives and senior managers are the employees most likely to see those additional benefits.

### DOES YOUR ORGANIZATION MAKE SPECIAL PROVISIONS IN THE EVENT OF A MERGER/ACQUISITION OR CHANGE OF CONTROL?

Special Provisions	%
Yes	27%
No	73%

### IF SO, WHO IS ELIGIBLE?

Position Level (Employee Group)	2017
C-Suite	87%
Senior Management	88%
Director	53%
Manager	47%
Supervisor	45%
Professional/Technical	45%
Exempt	44%
Non-Exempt	41%

### WHEN YOUR ORGANIZATION MAKES SPECIAL PROVISIONS IN THE CASE OF A MERGER/ACQUISITION OR CHANGE OF CONTROL, DOES YOUR POLICY SPECIFY THE FOLLOWING?

Policy on Special Provisions	2017	2011
Severance benefits that are more generous than the standard policy	70%	69%
Additional health and supplemental benefits that are more generous than the standard policy	44%	35%
Additional outplacement benefits that are more generous than the standard policy	25%	27%
Immediate vesting of stock options	35%	39%

## Benefits during severance

Companies in our study were nearly evenly split on whether to continue medical coverage for terminated employees, with a slight majority (52%) opting to extend those benefits if they were enrolled prior to the termination date.

Nearly half of all companies (48%) that do provide extended medical coverage do so for the duration of the severance period. Nearly one-quarter do it through to the end of the month in which the termination became effective.

Nearly two-thirds of those companies (65%) offering extended medical coverage expect employees to continue making their shared contributions.

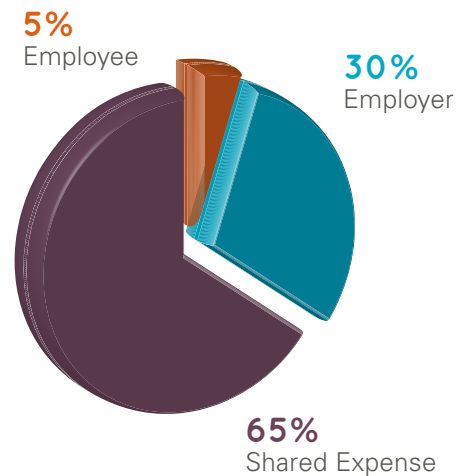
### DO TERMINATED EMPLOYEES CONTINUE TO BE COVERED UNDER THE ORGANIZATION'S MEDICAL BENEFITS IF ENROLLED PRIOR TO TERMINATION?

Medical Benefits Coverage	%
Yes	52%
No	48%

### IF SO, FOR HOW LONG?

Medical Benefits Coverage Duration	%
For the duration of the severance period	48%
Until the end of the month in which the termination became effective	22%
From three to six months	7%
Through the end of the quarter in which the termination became effective	3%
Through the end of the year in which the termination became effective	0%
Other	20%

### WHO PAYS FOR THE MEDICAL COVERAGE?



Medical coverage is not the only extended severance benefit available. The companies in our study also provided extended life, short- and long-term disability, vacation accrual and, in some rare instances, continued use of a company car. Of note: the 2011 study showed a steady and, in some cases, significant decline in the provision of other extended benefits.

**WHICH OF THE FOLLOWING OTHER EMPLOYEE BENEFITS ARE PAID FOR BY YOUR ORGANIZATION THROUGHOUT THE SEVERANCE PERIOD?**

CHECK ALL THAT APPLY.

<b>Other Benefits</b>	<b>2017</b>	<b>2011</b>
Life insurance	9%	20%
Short-term disability	6%	11%
Long-term disability	6%	11%
Vacation accrual	9%	22%
Education/training reimbursement	4%	8%
Club memberships	1%	7%
Use of company car	1%	7%
Use of office	2%	7%
None	79%	n/a
Don't know	4%	n/a

# Outplacement benefits and practices

Due to the disruptive forces of automation and artificial intelligence, the gig economy, the need for new skills, and changes in workforce demographics, work as we know it is undergoing a transformation. Jobs that can be automated are vanishing, while new jobs are being created. How do you connect people to the next generation of jobs when some jobs are dropping off the map, while others require new skill sets? Career transition and outplacement is more complex when employees are entering a job market that may no longer need their skills. How do we connect people to new jobs in an environment like that?

Complicating matters is the fact that outplacement benefits are not all created equal. Talk to a director of HR, and you will find that there is a high variance in both the effectiveness and satisfaction of different kinds of outplacement services offered to employees in transition. Given that the experience each of these employees has will have a huge impact on employer brand, companies need to understand what 'must have' benefits will produce the highest level of satisfaction and the greatest chance of finding a new job.



## Packages

In 2017 about two-thirds of respondents surveyed indicated their organizations offer either full or partial outplacement to all levels of employee. This is consistent with findings in our 2011 survey. One-half of respondents surveyed report their organizations provide outplacement to all C-suite executives, Senior Managers and Directors. Nearly half provide outplacement to all Managers, Supervisors, Professional/Technical Employees and Exempt employees, while 40% provide outplacement to all Non-Exempt employees.

### WHO DOES YOUR ORGANIZATION PROVIDE OUTPLACEMENT TO?

Position Level (Employee Group)	Yes, all	Yes, some	No
C-Suite	51%	14%	35%
Senior Management	52%	19%	29%
Director	50%	21%	29%
Manager	49%	20%	31%
Supervisor	47%	19%	34%
Professional/Technical	45%	19%	36%
Exempt	45%	20%	35%
Non-Exempt	40%	19%	41%

C-suite and Senior Managers are more likely to have access to comprehensive services that include one-on-one coaching and an array of in-office and digital tools and resources, and are much less likely to be offered group or online-only programs. The duration of outplacement services is also greater for the C-suite and Senior Managers, declining in length the further you go down the organizational hierarchy.

## WHAT TYPE OF OUTPLACEMENT PROGRAM DO YOU TYPICALLY OFFER TO EACH LEVEL OF EMPLOYEE?

### C-Suite Level

Comprehensive	92%
Group workshops	4%
Digital tools only	4%

### Supervisor Level

Comprehensive	51%
Group workshops	36%
Digital tools only	13%

### Senior Management Level

Comprehensive	90%
Group workshops	7%
Digital tools only	3%

### Professional/Technical Level

Comprehensive	49%
Group workshops	34%
Digital tools only	17%

### Director Level

Comprehensive	75%
Group workshops	20%
Digital tools only	5%

### Exempt Level

Comprehensive	47%
Group workshops	34%
Digital tools only	19%

### Manager Level

Comprehensive	58%
Group workshops	33%
Digital tools only	9%

### Non-Exempt Level

Comprehensive	40%
Group workshops	33%
Digital tools only	27%

## WHAT IS THE TYPICAL LENGTH OF TIME OFFERED FOR EACH OUTPLACEMENT PROGRAM AT EACH LEVEL OF EMPLOYEE?

### C-Suite Level

Unlimited	9%
12 Months	40%
6 Months	21%
3 Months	29%
<3 Months	9%

### Supervisor Level

Unlimited	2%
12 Months	1%
6 Months	10%
3 Months	51%
<3 Months	36%

### Senior Management Level

Unlimited	3%
12 Months	24%
6 Months	36%
3 Months	23%
<3 Months	14%

### Professional/Technical Level

Unlimited	2%
12 Months	1%
6 Months	7%
3 Months	48%
<3 Months	42%

### Director Level

Unlimited	2%
12 Months	5%
6 Months	38%
3 Months	38%
<3 Months	17%

### Exempt Level

Unlimited	2%
12 Months	1%
6 Months	6%
3 Months	42%
<3 Months	49%

### Manager Level

Unlimited	2%
12 Months	2%
6 Months	20%
3 Months	48%
<3 Months	28%

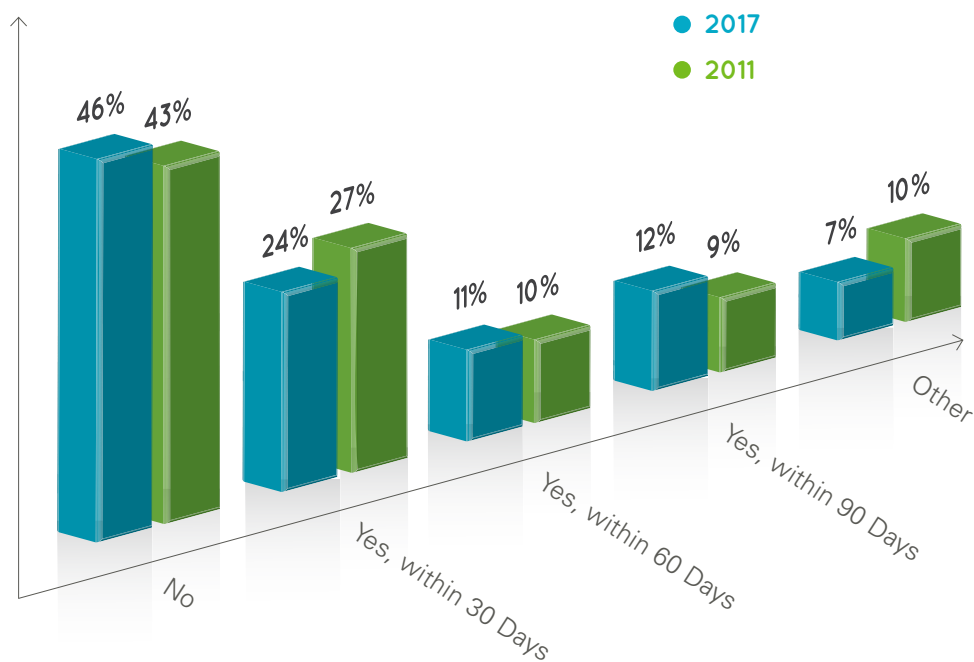
### Non-Exempt Level

Unlimited	2%
12 Months	1%
6 Months	5%
3 Months	31%
<3 Months	61%



As we saw in our 2011 study, nearly one-half of all companies (46%) surveyed do not require terminated employees to begin outplacement services within a specific time frame. The remainder of companies requires employees to begin their outplacement programs between 30, 60 or 90 days after their separation.

**ARE EMPLOYEES REQUIRED TO BEGIN THEIR OUTPLACEMENT SERVICES WITHIN A SPECIFIC TIME FRAME?**



## Program practices

Core motivations for offering outplacement programs remain unchanged from previous surveys. More than three-quarters of respondent companies felt that helping impacted employees achieve career goals was their main reason for providing outplacement services. A nearly equal number also identified an employer's responsibility to take care of departing employees. Seventy-two percent felt that maintaining a strong employer brand was important in their decision to provide outplacement. Just over half (59%) provide outplacement as part of their strategy to avoid litigation, while just 41% of organizations provide outplacement to minimize financial liabilities.

### ORGANIZATIONS RANKED THE FOLLOWING REASONS FOR OFFERING OUTPLACEMENT PROGRAMS AS IMPORTANT.

Because it is our responsibility to take care of our workforce	80%
Help impacted employees achieve their unique desired career goal in the shortest amount of time	78%
Maintain a strong employer brand	72%
Minimize litigation	59%
Successfully transform our organization	48%
Reduce unemployment insurance, severance risk and costs	41%

## Choosing the best outplacement partner

To better understand what components of an outplacement program are most important to employers, we asked respondents to rate a wide range of service components on their importance in designing a successful program. Based on the findings, we grouped components into three categories: table stakes, differentiators and emerging specialization.

### TABLE STAKES

According to our survey, buyers expect to be offered programs that can be customized to their exact needs. Having said that, there are certain basic, core elements that a strong majority of buyers expect: assistance with written résumés and digital technology resources are always in demand. Outplacement firms must include these components in order to be considered a legitimate outplacement provider.

### DIFFERENTIATORS

Although these core elements are important, our survey revealed that buyers are highly aware that table stakes are not enough to meet the needs of participants in today's dynamic job market. Buyers also want their employees to have access to personalized coaching, both in-person and phone-based. Career coaches help individuals explore

their career interests and skills to determine their career options, and prepare them to interview for, and secure and negotiate a new position. We also regularly survey individuals in LHH outplacement programs to measure satisfaction. Findings from our satisfaction surveys consistently show that offering outplacement programs that include in-person and phone-based consultant meetings is by far the strongest factor in a high quality score from employees.

### EMERGING SPECIALIZATION

The methods by which companies source and hire talent has profoundly shifted. Our survey showed very clearly that buyers are looking for outplacement firms that have a strong, functioning relationship with people in talent acquisition. Establishing these relationships ultimately helps individuals in three critically important areas: job leads, job market connections and personal branding.

To respond to this trend, LHH has made significant investments to reimagine our outplacement programs to include talent acquisition sensibilities. We have also launched a digital platform featuring advanced predictive analytics to help individuals find better jobs, faster. It's the first of its kind in the outplacement industry.

With individual expertise in specific industries, our Personal Branding Team delivers a résumé and LinkedIn profile that are optimized for search

engines, containing keywords. Ella, our AI-powered Digital Career Agent, searches tens of thousands of job postings from public and proprietary sources and sends individuals a customized daily summary of high-quality job recommendations, as she discovers them. Ella frees up time for individuals so they can focus on more strategic elements of a job search with their coach, reducing the time it takes to find a new job.

LHH has also taken steps to shrink the distance between talent in transition and job opportunities.

Our proprietary technology platform, the Digital Talent Exchange, matches talent in transition with employers that have jobs to fill. In essence, we are providing employers with a new source of talent for free, and one that typically has fallen beneath the radar of many hiring managers.

Our in-house Recruitment Specialists and industry-specific Talent Promoters work with talent acquisition teams at thousands of companies around world, including LHH's 7,000+ client firms. They identify talent requirements before jobs are posted and then promote transitioning employees directly to employers with roles to fill.



#### EMERGING SPECIALIZATION

- Job leads
- Connections to hiring managers in the local business community
- Personal branding support

#### DIFFERENTIATORS

- Personalized face-to-face coaching
- In-person meetings, seminars
- Personalized virtual coaching
- Virtual meetings, seminars
- Workspace in an office for program participants

#### TABLE STAKES

- Written résumé
- Program customized by level/title
- Technology resources

## Mobilizing your workforce so they're ready for whatever's next

We've entered an era of transformation when the impact of change is greater than ever and hitting organizations and employees at every turn. Your company will likely need to go through cycles of exiting employees and hiring new people over and over again. That's going to create a demand for an agile workforce that encourages and supports talent mobility within an organization in advance of facing the need to separate.

It is possible to prepare people and help them easily and effectively transition into new job opportunities—whether internally or externally. Doing so minimizes the pain and stress to individuals because they are unemployed for shorter periods of time and minimizes the risk to your employer brand because employees have had a more positive experience.

We need to start with career support, well in advance of the termination date. But this career support shouldn't just be available to those who are leaving the company—all employees should be able to take advantage of this opportunity.

If our respondents are still undecided about whether to embrace advance pre-separation career transition support, they are much more bullish on demanding that outplacement partners have

specific strategic partnerships in place to connect and actively promote talent. This enables impacted employees to benefit from gaining access to hiring managers and recruiters who can help them identify new positions and land a new role as soon as possible. A solid 71% felt these partnerships were important.

### HOW IMPORTANT IS IT FOR YOUR OUTPLACEMENT PARTNER TO HAVE STRATEGIC PARTNERSHIPS (E.G., RECRUITING FIRMS OR OTHER COMPANIES) TO HELP PLACE DOWNSIZED EMPLOYEES INTO NEW POSITIONS?

Importance of Strategic Partnerships	%
Important	71%
Neutral	21%
Not important	8%

### HOW IMPORTANT IS IT TO YOUR ORGANIZATION TO PREPARE CURRENT EMPLOYEES FOR CAREER TRANSITION BEFORE SEPARATION OCCURS?

Importance of Career Transition Preparations	%
Important	28%
Neutral	48%
Not important	24%



## TAKING THE STING OUT OF OUTPLACEMENT

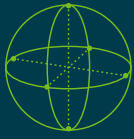
We're now deep in a day and age of nearly continuous and dynamic change, where employers must face painful decisions on which employees to keep and which ones to transition out.

And that creates a great dilemma: how do you take care of the people who are not part of the next iteration of your organization's transformation and maintain your profile as an employer of choice as you recruit new talent with new skills and expertise?

Accomplishing both of these goals requires a fundamental shift in the way we think about both outplacement and talent acquisition practices. In fact, what we need to do is bring both of these practice areas closer together to create a new holistic approach to talent management.

Outplacement and talent acquisition professionals have for too long operated independently of each other in the talent management spectrum. Bringing these two functions closer together means quicker time to landing new positions for employees in transition. It also means giving talent acquisition teams access to a much broader and more complex pool of potential talent.

Active Placement is LHH's new approach to career transition. We focus on four key areas that our research has shown to accelerate the time it takes for individuals in transition to land a new job faster:



## EFFECTIVE, PERSONALIZED COACHING

Career coaching is a proven path to finding people better jobs in a shorter period of time. With more than 2,000 certified career coaches, LHH has the right experts—with the right industry experience—to help employees at all levels, wherever they are in their careers and whatever their goals.

We also feature a wide variety of coaching methodologies—from intensive face-to-face sessions, to virtual coaching, seminars and facilitator-led online training. Our coaches help individuals explore their career interests and skills to determine their best options. They work with individuals to develop customized strategies and prepare individuals to interview for, secure and negotiate new positions. Tailored to the individual's unique objectives, career coaching will help them succeed.



## SHORTENING THE DISTANCE BETWEEN TALENT IN TRANSITION AND JOB OPPORTUNITIES

Despite the rise in prominence of online job boards, available data shows that only about 8% of people are successful in finding jobs this way. Meanwhile 70% of people find jobs through personal networking. But for many people in transition, those networks may not be well developed. That's why at LHH, we plug these candidates into our own extensive network of hiring managers and recruiters at thousands of companies around the world, including our 7,000+ client firms, to help connect candidates in transition with new, often hidden job opportunities.

Making full use of LHH's Active Placement Model, industry-specific talent promoters and local recruitment specialists uncover hidden job opportunities, directly connecting qualified candidates in transition to employers with specific job needs.

In addition, candidates can work with Ella, our AI-powered Digital Career Agent, to search through tens of thousands of job postings from public and proprietary sources hosted in our Digital Talent Exchange. Ella sends a customized daily summary of high-quality job recommendations to each candidate.



## EXPANDING THE BANDWIDTH OF THE TALENT PIPELINE

A strong talent pipeline is critical to the hiring process and key to ensuring you have the right people with the right skills to grow your business. But how do you know if you're getting access to all of the best talent the moment they go on the open market?

Our Digital Talent Exchange allows hiring managers the opportunity to view the profiles of talented job seekers within 72 hours of the start of a career transition program. You can post new job opportunities, search our database for talent, view résumés and profiles, and connect directly with prospective employees with highly sought after skills, all in a matter of minutes.

With data and insights from experienced career consultants, our candidate profiles are more comprehensive than a typical résumé or CV. You can easily search for and source candidates that match your requirements in terms of skills, experience and fit.



## PROFESSIONAL BRANDING SUPPORT AND RÉSUMÉ WRITING

Our research shows that 70% of hiring companies disqualify candidates based on their online profile. Furthermore, 97% of recruiters and companies use LinkedIn to find candidates. What does all this mean? Résumés and online profiles are more important than ever.

LHH helps candidates in transition optimize their LinkedIn profiles and résumés with keywords that resonate with recruiters and score higher with rankings on applicant tracking systems—all within 72 hours of starting their transition program. We position candidates for success by helping them build positive, unique brands that stand out in the talent marketplace.

Once completed, those enhanced résumés and profiles are added to our Digital Talent Exchange, where thousands of recruiters and hiring managers search for available talent to fill open positions.



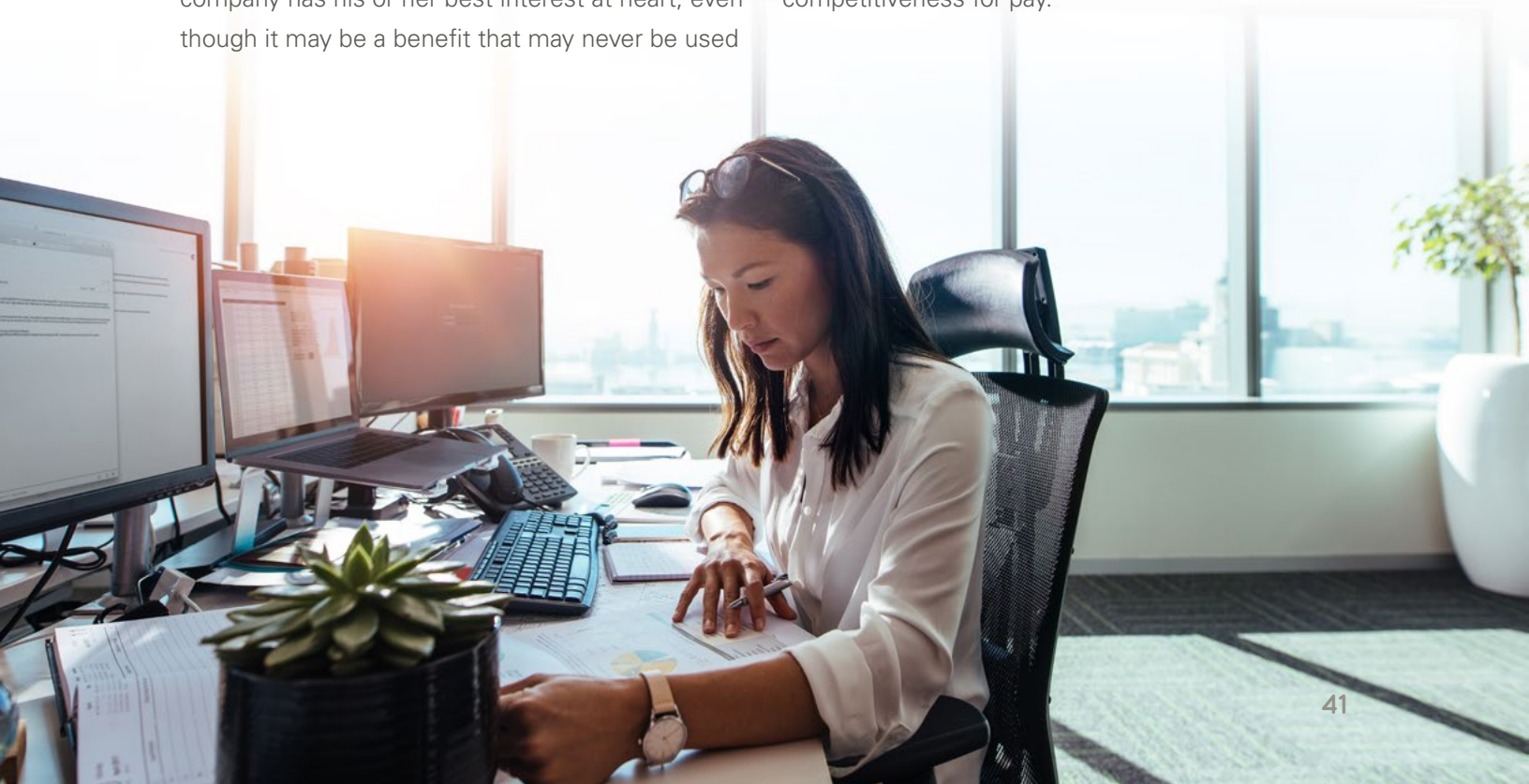
## WHY COMPANIES SHOULD TAKE A TOTAL REWARDS APPROACH TO COMPENSATION

Compensation professionals often talk about “philosophy” when approaching an evaluation of their companies’ compensation practices. Once focused on compensation, more and more companies are looking to their entire package, or “total rewards,” when communicating the competitiveness of their offerings to employees.

While base salary and benefits are tangible items that provide an employee with a certain degree of protection (e.g., paying their bills, ensuring their health, etc.), other elements of rewards that drive attraction and retention are equally important. Professional development, work/life balance, educational opportunities, etc., can further engage employees and provide a well-rounded package. Although severance and separation benefits may not be in the forefront of an employee’s everyday thinking, a company’s foresight into having a competitive policy serves as an added layer of protection in the event of separation. This can go a long way in helping an employee feel that the company has his or her best interest at heart, even though it may be a benefit that may never be used

by the employee. Nevertheless, the message from the company is that it takes a very holistic view of the employer/employee relationship, and severance programs are a component of that relationship.

Therefore, when a company talks about “competitiveness,” their focus should not only be on compensation and benefits, but how all the other elements—including severance and separation programs—compare to their marketplace. Since the labor market continues to be tight for qualified candidates, applicants can be more selective and thus would seek out employers who can provide a comprehensive rewards package. The fact that more than three-quarters of survey respondents have evaluated their severance programs within the last three years means that companies are continuing to focus on maintaining programs that are aligned with their philosophies on total rewards, consistent with best practices in examining market competitiveness for pay.



# Stay bonuses

Stay bonuses have not been embraced as a standard practice for more than half of the companies surveyed, declining from 48% in 2011 to 45% in 2017. Of the 45% that do offer stay bonuses, the preference was to use a formula other than percentage of salary or as enhanced severance. And there has been an erosion in the number of organizations that allow employees to begin their career transition services prior to the end of their employment with the company, declining from 59% in 2011 to just 33% in 2017.

## DOES YOUR ORGANIZATION OFFER STAY (RETENTION) BONUSES TO ENSURE CONTINUED SERVICE OF EMPLOYEES WHOSE JOBS HAVE BEEN ELIMINATED UNTIL A SPECIFIC DATE?

<b>Stay Bonus Prevalence</b>	<b>2017</b>	<b>2011</b>
Yes, as a percentage of salary	6%	10%
Yes, as additional severance	11%	15%
Yes, but we use other formulas	28%	24%
No	55%	52%

**IF YOU USE ANOTHER FORMULA, WHAT DOES YOUR ORGANIZATION PROVIDE?**

<b>Other Formula/Severance</b>	<b>%</b>
Amount is based on position/level	37%
Amount is based on years of service	1%
Amount is based on performance	3%
Individually negotiated	59%

**DOES YOUR ORGANIZATION ALLOW EMPLOYEES WHO HAVE ACCEPTED STAY BONUSES TO BEGIN RECEIVING OUTPLACEMENT PRIOR TO THE DATE THEY OFFICIALLY LEAVE THE ORGANIZATION?**

<b>Stay Bonuses/Outplacement</b>	<b>2017</b>	<b>2011</b>
Yes	33%	59%
No	67%	41%

# Early retirement programs

Early retirement is not typically offered as a voluntary option when an organization is restructuring its workforce. Our 2017 study shows that about three out of four respondent companies do not offer early retirement. For those organizations that do offer some form of early retirement, enhanced severance and extended health and supplemental benefits are the preferred options.

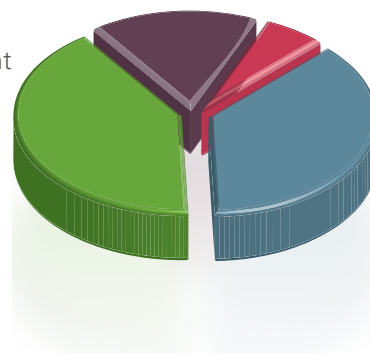
## WHO IS ELIGIBLE FOR VOLUNTARY REDUCTIONS/VOLUNTARY RETIREMENT PACKAGES?

Position Level (Employee Group)	Yes, all	Yes, some	No
C-Suite	15%	10%	75%
Senior Management	14%	13%	73%
Director	13%	12%	75%
Manager	12%	13%	75%
Supervisor	12%	11%	77%
Professional/Technical	13%	11%	77%
Exempt	12%	12%	76%
Non-Exempt	11%	10%	78%

## WHAT ARE THE ELEMENTS OF THE EARLY RETIREMENT PACKAGES OFFERED?

**16%**  
Additional outplacement benefits

**41%**  
Additional health and supplemental benefits



**6%**  
Immediate vesting of stock options

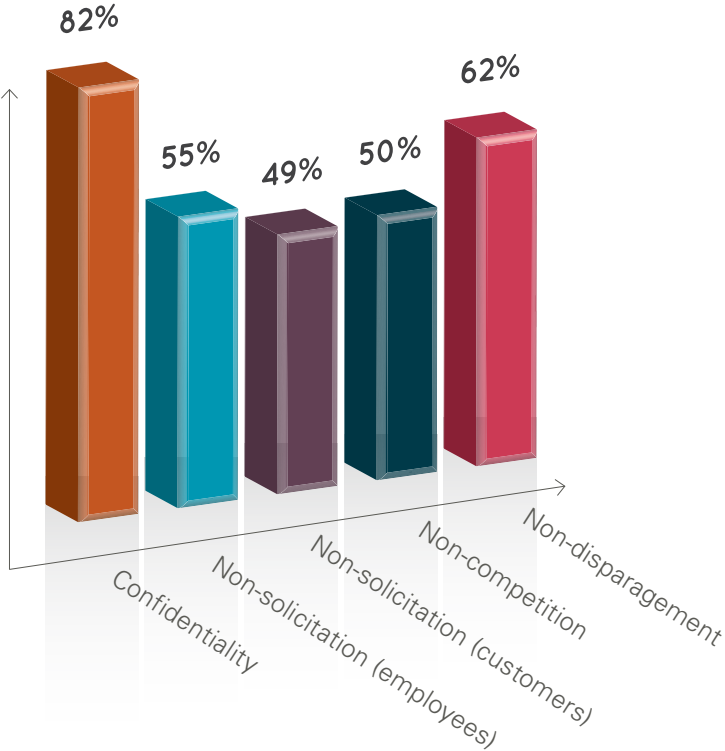
**37%**  
Additional severance beyond standard policy



# Covenants

Covenants for departing employees can be a necessary element in any separation agreement. Our study shows clearly that confidentiality continues to be the covenant of choice for employers, with 82% of respondent companies making it a part of standard separation protocols. Where covenants are put in place, the typical length of duration is one year. In terms of enforcement, companies in our study seem to prefer cash payments as the claw back provision for breach of a covenant.

**WHAT TYPE(S) OF COVENANTS DOES YOUR ORGANIZATION PROVIDE?**  
CHECK ALL THAT APPLY.



**WHAT IS THE LENGTH OF THE COVENANT TERM?**

<b>Covenant</b>	<b>&lt;1 year</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>Over 3 years</b>	<b>N/A</b>
Confidentiality	6%	35%	11%	1%	29%	18%
Non-solicitation (employees)	6%	45%	11%	1%	3%	34%
Non-solicitation (customers)	6%	42%	9%	1%	3%	39%
Non-competition	7%	39%	12%	1%	3%	38%
Non-disparagement	5%	31%	7%	1%	27%	29%

**WHICH CLAW BACK PROVISIONS DOES YOUR ORGANIZATION USE TO ENFORCE ITS COVENANTS? CHECK ALL THAT APPLY.****Claw Back Provisions**

Cash payments	32%
Long-term incentives	8%
Cash value of benefits	5%
Non-qualified deferred compensation	5%

# Employee turnover and exit interviews

Collecting data through exit interviews continues to be an important employee retention strategy and a vital part of the separation process. Nine out of 10 respondent companies confirmed the use of exit interviews as a standard practice and that exit interviews are typically conducted internally.

## DOES YOUR COMPANY CONDUCT EXIT INTERVIEWS?

### Prevalence of Exit Interviews

Yes	90%
No	10%

## DOES YOUR ORGANIZATION USE AN OUTSIDE FIRM TO CONDUCT EXIT INTERVIEWS?

### Use of Outside Firm to Conduct Exit Interviews

Yes	9%
No	91%

Retention strategies are important because they help increase employee engagement, strengthen an employee's commitment to the organization's mission and build a strong culture that facilitates high levels of performance. The respondent companies reported that they are implementing a variety of tactics to reduce turnover and increase retention. More than two out of three respondent companies (71%) are investing in improved recruitment and selection processes to help keep a check on turnover and improve retention, while just 27% are focusing on compensation systems.



## WHAT PROGRAMS AND/OR PROCESSES HAS YOUR ORGANIZATION IMPLEMENTED TO REDUCE TURNOVER?

### Programs to Reduce Turnover

Improved recruitment and selection process	71%
Enhanced employee communications	58%
Improved performance appraisal process	47%
Enhanced benefits programs	44%
Updated job descriptions	37%
New compensation system	27%
Other	11%

## EXAMPLES OF SUCCESSFUL OR INNOVATIVE MEASURES TO REDUCE TURNOVER:

Use of psychometric assessments in recruitment

Increasing paid vacation

Increasing employee feedback

Performance-based incentives



Flexible work schedules

Implementing learning & development plans

Increasing executive-level communications to all employees

# Conclusion



Minimums and maximums may change, the methods of calculation and the tolerance for negotiation may vary, but severance and separation benefits continue to play a critical role in a company's ability to remain competitive. Given the massive technological and demographic changes disrupting today's workplace, companies are faced with the need to transform—eliminating jobs while opening up new opportunities. Companies must adapt to this transformed workplace and ensure they are offering severance and separation benefits that are competitive, support their brand as an employer of choice and drive growth.

The hard but simple truth of the matter, borne out by our benchmark study, is that the majority of companies acknowledge that the way they support terminated employees can make or break their brand as an employer of choice.

But severance and separation benefits are about so much more than employer brand. The study showed clearly that companies are beginning to realize that these components are important cogs in the talent recruitment process. Appropriate and timely severance and separation benefits, when combined with redeployment and outplacement programs, ensure that talented employees do not fall between the cracks.

In the future, these same companies will need to continue expanding their horizons when it comes to benefits. It's not about the amount of money offered. The most effective severance and separation policies will be those that are inextricably connected to the entirety of talent acquisition and management functions.



# Audit your organization

## Understanding How Your Severance & Separation Benefits Compare

**How to use the audit:** Assess your organization's Severance & Separation Benefits and compare against benchmarks. Read the question, respond and then can click to reveal benchmark finding.



### TELL US ABOUT YOUR SEVERANCE PRACTICES

1. Does your organization provide severance?  
Yes    No
  
2. Do you have a formal severance policy?  
Yes    No
  
3. How is your severance plan documented?  
 Formal written plan  
 General written guidelines  
 No written documents
  
4. Is severance defined in your employment agreement?  
 No  
 Yes for top executives  
 Yes, for top executives and others covered by agreements
  
5. How is your severance policy communicated to employees?  

Employee handbook	Human resources
Online resource	Not communicated
Supervisor/manager	
  
6. Do you require a signed release in exchange for severance?  
Yes    No
  
7. Do you require a release in exchange for outplacement?  
Yes    No
  
8. Do you have a process by which employees can appeal or negotiate their severance package?  
Yes    No

9. In general, how is severance payable?
  - Lump sum
  - Normal payroll cycle
  - Normal payroll cycle but stopped when re-employed
  
10. Do terminated employees continue to be covered under the organization’s medical benefits if enrolled prior to termination?
  - Yes    No

**PART  
2**

**TELL US ABOUT YOUR SEVERANCE BENEFITS**

1. Who is eligible for severance?

<b>Employee Level</b>	<b>Yes</b>	<b>No</b>
C-Suite		
Senior Management		
Directors		
Managers		
Supervisors		
Professional/Technical		
Exempt		
Non-Exempt		

2. What formula is used for determining severance?

- |  |  |
|--|--|
| (a) Flat number of weeks based on years of service for all employees | (b) By position level and years of service |
|--|--|

3. If you responded (a), how many weeks of severance do you offer per year of service?

- |           |                   |
|-----------|-------------------|
| 1 week    | 2 weeks           |
| 3-4 weeks | More than 5 weeks |

4. If you responded (b), how many weeks of severance do you offer using a formula based on position level and years of service?

<b>Employee Level</b>	<b>Weeks of Severance Offered Per Year of Service, by Position Level</b>
C-Suite	
Senior Management	
Directors	
Managers	
Supervisors	
Professional/Technical	
Exempt	
Non-Exempt	

5. Does your policy have a minimum severance amount:  
 Yes    No

6. If you answered yes, what are your minimums by position level?

<b>Employee Level</b>	<b>Min Weeks</b>
C-Suite	
Senior Management	
Directors	
Managers	
Supervisors	
Professional/Technical	
Exempt	
Non-Exempt	

7. Does your policy have a maximum severance amount?  
 Yes    No

8. If you answered yes, what are your maximums by position level?

<b>Employee Level</b>	<b>Max Weeks</b>
C-Suite	
Senior Management	
Directors	
Managers	
Supervisors	
Professional/Technical	
Exempt	
Non-Exempt	

PART  
3

## TELL US ABOUT YOUR OUTPLACEMENT BENEFITS

1. Do you offer outplacement benefits to employees at all levels?

<b>Employee Level</b>	<b>Yes</b>	<b>No</b>
C-Suite		
Senior Management		
Directors		
Managers		
Supervisors		
Professional/Technical		
Exempt		
Non-Exempt		

2. What type of outplacement program do you typically offer to each level of employee? And what is the most common length of program offered?

<b>Employee Level</b>	<b>Type of Program</b>	<b>Common Length of Program (In Months)</b>
C-Suite		
Senior Management		
Directors		
Managers		
Supervisors		
Professional/Technical		
Exempt		
Non-Exempt		

### About Lee Hecht Harrison (LHH)

**Lee Hecht Harrison (LHH)** ([www.lhh.com](http://www.lhh.com)) helps companies transform their leaders and workforce so they can accelerate performance. In an era of continuous change, successfully transforming your workforce depends on how well companies and their people embrace, navigate and lead change. Change within the organization, and their career. At Lee Hecht Harrison we use our expertise in talent development and transition to deliver tailored solutions that help our clients transform their leaders and workforce so they have the people and culture they need to evolve and grow. We are passionate about making a difference in peoples' careers and building better leaders so our clients can build a strong employer brand.

### About Compensation Resources, Inc. (CRI)

**Compensation Resources, Inc. (CRI)** ([www.compensationresources.com](http://www.compensationresources.com)) is a boutique consulting firm specializing in providing clients with hands-on consulting expertise. CRI specializes in executive compensation, sales compensation, pay-for-performance and incentive compensation, performance management programs, and expert witness services. Our firm is staffed with experienced human resources professionals who have appropriate academic credentials and have broad general knowledge and specialized experience in the design and implementation of organization-wide compensation programs. Since its inception in 1989, CRI has provided a wide variety of clients with creative and pragmatic solutions to meet their business needs. The hallmark of our firm has been to provide practical solutions that are easy to understand and administer, cost effective and most importantly, "they work." Adherence to these principles has enabled CRI to provide our clients with professional, practical assistance tailored to their individual needs.

