This document outlines the process for handling Final Pay related to Settlement and Separation/Severance Agreements.

What are Settlement and Separation/Severance Agreements?

A **Settlement Agreement** is a legal agreement that resolves a dispute or claims between the University of California and an Employee.

A **Separation/Severance Agreement** is an agreement that involves an Employee's separation from employment and receiving transition assistance or severance in exchange for a release of claims.

For more information, please review the [Policy on Settlement of Litigation, Claims and Separation Agreements (Regents Policy 4105)](#)

⚠ **Note:** Final Pay Pilot locations can submit **Severance Final Pay** transactions through the Final Pay Activity Guide. For detailed instructions on submitting Severance via the Final Pay Activity Guide, refer to the following link: add new JA link

⚠ If special processing is needed, first review the **Special Handling Reasons** list for more information, then complete **Steps 1** and **2** below.

Special Handling Reasons

- Installment payment arrangements.

- Submission of a physical check.

- Delivery to a non-standard address.

- Delivery via UPS Next Day Air.

- Revocation-period considerations.

- Specific payment-related criteria.

- Agreement effective date or payment-due-date considerations.

- Formal/signed agreements which require specific criteria.

When does the Settlement or Separation/Severance Agreement process begin?

The process begins when UCPath receives a request via an **Ask UCPath Inquiry** by a designated **Location Point of Contact (POC)**, or **UCOP Center of Excellence (COE)**. The submission must include a fully signed and dated copy of the executed settlement or separation/severance agreement, along with all pertinent agreement details and the required Transaction ID numbers.

Location Points of Contact (POC)	Center of Excellence (COE)
- Campus Counsel - Employee and Labor Relations - Office of Intellectual Property - Human Resources - Academic Personnel Office	- Office of General Counsel (OGC) - Labor Relations - Principal Officers of The Regents - Academic Personnel Office - Human Resources

What is UCPath's role in Settlement and Separation/Severance Agreements?

UCPath participation begins once all required signatures and approvals are obtained, and the agreement specifies a transaction and/or adjustment. The Settlement, Separation/Severance agreement is considered complete when all terms have been fulfilled.

All agreements must be signed and dated to proceed with processing. UCPath cannot process the terms of the agreement without the necessary documentation.

The UCPath **Settlement Agreement Coordinator** is responsible for ensuring that all aspects of a settlement or separation agreement are fulfilled within the specified timeframe by coordinating transactions initiated by the business unit with the appropriate UCPath workstream.

UCPath Settlement or Separation/Severance Agreements may include the following:

Payroll	WFA	Benefits	Absence Management
Backpay, Dismissal pay, Equity adjustments, Damage for physical injury or personal physical illness, severance payments	Termination with pay, Data changes, Employment status changes	Extended Benefits Coverage, UCRP retro-contributions (employee + employer paid), COBRA notifications	Accrual balance adjustment

How to submit a Settlement or Separation/Severance Agreement

Step 1: Submit Payroll Request (E-078)

POC or COE will submit a Pay Request (E-078), which should include relevant sections of the Settlement, Separation/Severance Agreement.

- **Settlement Payroll Request:** Off-Cycle (E-078) requires an inquiry to be submitted with the signed agreement.
  - **Payroll Request:** Off-Cycle
  - **Reason:** Legal (Severance, Court Ordered)
  - **Earn Code:** Determined by Location based on Terms of Agreement

- **Severance Payroll Request (Special Handling):** Final Pay (E-078) requires an inquiry to be submitted with the signed agreement.
  - o **Payroll Request:** Final Pay
  - o **Reason:** Involuntary
  - o **Earn Code:** Determined by Location based on Terms of Agreement

> ⚠ If you're a Final Pay Pilot Location, use the **Payroll Request (E-078) Off-Cycle / Reason Legal (Severance, Court Order)** to submit any Severance pay that requires special handling.
>
> ⚠ All Severance payments submitted through the **Final Pay Activity Guide** will be processed as-is.

For additional instructions on how to submit a **Payroll Request (E-078)**, please refer to the following link: Link New Job Aid

Step 2: Submit an Inquiry

POC or COE will submit an inquiry to UCPath on behalf of the Employee, including a copy of the relevant agreement details, payment routing method, and all Payroll Transaction ID numbers. To ensure timely processing, the inquiry should be submitted as soon as the agreement is signed and finalized.

> ⚠ **Note:** It is essential to submit an inquiry for all off-cycle pay requests submitted with the following **Reasons** or **Earn Codes**: Involuntary, Legal, ITS, ITP, VTS, and SET, as these payments typically require supporting documentation for processing.

To ensure your inquiry is routed to the correct queue for timely processing and to avoid delays, follow the steps below:

- In the **"What can UCPath assist you with?"** field, enter Settlement or Separation/Severance Agreement.

- In the **"Please provide a detailed description of your issue"** field, provide a description of the settlement agreement (e.g., Grievance, Arbitration, Settlement) or separation/severance agreement. Also, include the E-078 Payroll Transaction ID number and the routing method of payment.

- **Upload Files:** Upload documents that support the settlement or separation agreement.

- For additional instructions on how to submit an inquiry, please refer to the following link: Submit and Inquiry on Behalf of Employee (SOBO)

The inquiry will be assigned to the UCPath Settlement Agreement Coordinator, who acts as a liaison between POC/COE and UCPath throughout the entire transaction process. They will collaborate closely with POC/COE to resolve issues, address concerns, and expedite the Settlement or Separation/Severance agreement transaction.

Involuntary Earning Codes

	Involuntary Term-Severance	Involuntary Term-Lump Sum	Involuntary Term-Regular	Involuntary Term-Pay In Lieu
Parent Codes	ITS	ITL	ITR	ITP
NRA Codes	IS7 IS8 IS9	IT7 IT8 IT9	IR7 IR8 IR9	

Voluntary / Settlement Earn Codes

	Voluntary Term-Severance	Settlement Pay
Parent Codes	VTS	SET
NRA Codes	VS7 VS8 VS9	ST7 ST8 ST9