**Section 2920.45 Severance Pay**

a) Amounts paid or payable to an individual for past services rendered by the individual to an employer or amounts paid or payable to an individual for pension or seniority rights lost upon separation or layoff shall be considered severance pay. Such pay shall not be considered wages payable or attributable with respect to the period subsequent to the individual's separation or layoff. Amounts paid or payable to the individual as severance pay shall not render the individual ineligible to receive benefits under Section 2920.5. The nature and purpose of such payments, rather than their characterization, shall determine whether or not such payments are considered severance pay under this Section.

b) For the purpose of this Section, the status of payments as severance pay is not altered by the fact that:

1) Such payments are voluntary; or that,

2) Such payments are made periodically rather than in the form of a lump sum.

A) Example 1: An employer's separation pay program provides for a lump sum payment based on the length of service. The purpose of the payment is to allow the individual to maintain his standard of living while he seeks other work. The individual performs no services after his date of separation. This lump sum payment constitutes severance pay under this Section and hence is not disqualifying.

B) Example 2: The individual was notified that he was to be terminated from employment on April 17. The individual worked on the employer's premises until April 6 but performed incidental services to the employer from April 6 through April 17 by telephone in training a replacement. The wages received from April 6 through April 17 are not severance pay. Because the individual performed some services and received wages for the period April 6 through April 17, he was not unemployed under Section 239 of the Act and hence not eligible for benefits under the Act.