

Severance Pay & Unemployment Insurance

Do I report severance?

Yes, if you have applied for or will be receiving severance pay on or after the effective date of your claim, you must report your severance pay when you file your unemployment insurance claim.

Do not report severance pay if all severance payments were received prior to the effective date of your claim.

Your claim's effective date is the Sunday of the week in which your claim is filed.

Should I wait to file my claim?

Waiting to file your Unemployment Insurance claim until after you receive all your severance pay may affect your claim's monetary eligibility.

The effective date of your claim determines the base period, which is the period of time used to calculate monetary eligibility. With the first full week of each new quarter the base period changes.

Only covered earnings are used in the calculation of your monetary determination. Severance payments are not covered earnings and are not used in determining your claim's weekly or maximum benefit amounts.

Will severance delay unemployment payments?

Payments will not be made until a decision is made to determine whether your severance pay is deductible.

You must continue to file your weekly claims pending the decision of your severance pay.

Once a determination is made, payment will be issued for any eligible weeks claimed with the exception of the first eligible week which is considered the waiting period week. No payment will be made for the waiting period.

Can I see the rules that apply to severance pay?

Yes, the Oklahoma Employment Security Commission Rules (Title 240) may be found on our website, <https://oklahoma.gov/oesc>.

What severance questions will I be asked?

- What is the frequency of the payment?
- Have you received the payment?
- What is the gross (before taxes) amount of the payment?
- What is the name and telephone number of the employer paying you severance payments?
- Was your employer required to make this payment because of company policy, rules and/or regulations, hiring agreement or contract?

Why am I asked these questions?

Your answers, along with additional information or documentation collected, will be used in determining if your severance pay is deductible under the laws and rules that govern Oklahoma Unemployment Insurance.

How do I report my severance?

During the claims filing process you'll be asked if you will receive severance. Answering yes to this question, prompts further questions regarding your severance later in the claim filing process.

How does the frequency of severance payments affect Unemployment?

If the severance is received in a lump sum payment and deemed deductible, the amount received minus \$100 will be deducted from your weekly benefit amount the week in which severance is received. If severance is paid on a continuing basis and deemed deductible, the amount received minus \$100 will be deducted from your weekly benefit amount each week in which severance is received.

How does receiving severance affect my Health Insurance plan?

This is not determined by the Oklahoma Employment Security Commission. Speak to your employer or insurance provider to determine how severance may impact your health insurance plan.



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