

**AMERICAN LIBRARY ASSOCIATION  
PERSONNEL POLICY MANUAL**

Item Number 804

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SEVERANCE PLAN

Reviewed and  
Issued 10/01/03

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I. General Purpose

It is the intent of the American Library Association to provide stable employment opportunities for its employees. However, economic or other business conditions may at times necessitate the termination of employees' services. Employees terminated under such conditions will receive severance pay to ease the transition to other employment and minimize interruption of income. This Plan, which also functions as the Summary Plan Description of the Plan, is administered by the Association as an "employee welfare benefit plan" under the provisions of the (ERISA) Employee Retirement Income Security Act of 1974, as amended. The Plan is funded from the general assets of the Association. The Association, as administrator, is granted the power to construe any disputed or uncertain terms contained herein, and in all events, its determination shall be final and binding upon all participants in the Plan.

II. Effective Date

The Plan is effective as amended June 1, 1996. It supersedes any previous severance plans adopted by the American Library Association or any predecessor company or companies.

III. Basic Plan

A. Eligibility

1. Determination of eligibility for severance pay is at the sole discretion of the Association. This determination is final and binding upon participants in the Plan.
2. All full-time employees, employed six (6) months or more, terminated under the following conditions will be eligible for the American Library Association basic severance payment.
3. Reduction in Force: A reduction in force may be necessary when an employer has more employees than are currently needed to perform the available work or economic conditions necessitate a reduction in costs.

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4. Job Elimination: Job elimination is defined as the cessation of, or restructuring of, job responsibilities to the extent that the current position no longer exists as defined in the job description. Job elimination does not apply to the sale, merger or other corporate restructuring or transfer of the company or a division or operating unit(s) of the company from one location or company to another location or company if the individual(s) affected by said sale, merger or other corporate restructuring or transfer are offered employment at the new location or company.

B. Ineligibility

1. It is intended that individuals will be eligible for severance pay only if they meet the conditions under the heading "Eligibility" set forth above. The following are examples of circumstances under which severance pay will not be granted. These are illustrative only, and are not intended to be a complete listing:
  - a. Voluntary resignation.
  - b. Disability, retirement or death.
  - c. Discharge for gross misconduct or cause.
  - d. Reasonable reassignment (a reassignment shall not be considered unreasonable if it is made in good faith for any legitimate business reason, including, among others: reassignment due to job re-evaluation, re-design, promotion, demotion, change in physical locale or transfer to lateral position in the same or a different operating unit.)
2. If, during the course of severance pay, an individual is offered re-employment to the same or an equivalent position, severance pay will cease immediately.

- C. Notification: All eligible full-time employees will receive 30 days notification of job elimination and if 30 day notice is not given, they will receive 30 days pay in lieu of notice.

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IV. Supplemental Plan Benefits

Eligibility: All full-time employees employed six (6) months or more who are otherwise eligible for the basic plan, and who voluntarily acknowledge in accordance with applicable law and regulations, Job Search Benefits as set forth below as full payment, accord, and satisfaction for all claims against the company and agree to abstain from filing any suits or other actions of any kind against the Association by their signature on a properly executed Separation Agreement.

Grades G - K

Up to 5 years	8 weeks
6 to 14 years	16 weeks
15+ years	24 weeks

Grades A - F

Up to 1 year	2 weeks
1+ year	Plus one week for every year after first year, not to exceed 24 weeks

V. Reservation of Rights

The Association reserves the right to change any and all provisions of this Plan at any time. No employee shall be considered vested in any benefit stated herein.

VI. Non-Alienation of Benefits

The Association shall not in any manner be liable for or subject to the debts or liabilities of any individual by reason of the existence or operation of the Plan. No right or benefit at any time under the Plan shall be subject to alienation, sale, transfer, assignment, pledge or any encumbrance of any kind. If any employee or former employee shall attempt to or shall alienate, sell transfer, assign, pledge or otherwise encumber your rights, benefits or amounts payable under the Plan, or any part thereof, or if by reason of your bankruptcy or other events happening at any time, such benefits would otherwise be received by anyone else or would not be enjoyed by him or her, the Association, in its sole discretion, may terminate your interest in any such right or benefit and hold or pay it to, or for the benefit of, such person, your

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spouse, children or other dependants, or any of them as the Association may determine.

VII. Claims Procedure

Any employee who believes that s/he is entitled to receive a benefit under the Plan may file a claim in writing with the Association. An employee's claim should be directed to the attention of the Human Resources Director. The Association shall within ninety days after the receipt of the claim either allow or deny the claim in writing. A denial of the claim shall be written in a manner calculated to be understood by the claimant and shall include:

- The specific reason or reasons for the denial,
- Specific reference to pertinent Plan provisions on which the denial is based;
- A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- An explanation of the Plan's review procedures.

A claimant whose claim is denied may within sixty days after receipt of denial of his claim:

- Seek a review upon written request to the Association:  
Attention: Human Resources Director
- Review pertinent documents; and
- Submit issues and comments in writing.

Any written request for review shall contain all additional information, which the claimant wishes the Association to consider. The Association may hold any hearing or conduct any independent investigation, which it deems necessary to render its decision.

The Association shall make its decision within sixty days after receipt of

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the request for review unless a greater period is agreed to by the claimant and Association. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant and with specific references to the pertinent Plan provisions on which the decision is based.

The ninety and sixty days described above may be extended at the discretion of the Association for a second ninety or sixty-day period, as the case may be, provided that written notice of the extension is furnished to the claimant prior to the termination of the initial period, indicating the special circumstances requiring such extension and the date by which a final decision is expected. Any person submitting a claim may, with the consent of the Association:

- Withdraw the claim at any time; or
- Defer the date as of which such claim shall be deemed filed for purposes of this procedure.

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Pursuant to Article V of the Severance Plan (the "Plan"), Item Number 804 of the American Library Association Personnel Policy Manual, the American Library Association (the "Association") hereby amends the Plan in the following manner:

1. Effective January 1, 2000, Article III of the Plan is amended by the addition of the following Section A.5:

"5. Career Incentive Program. Notwithstanding anything in the Plan to the contrary employees who are actively employed with the Association as of December 31, 1999 and who voluntarily terminate from employment with the Association under the Career Incentive Program (the "program") between January 1, 2000 and February 28, 2000 shall receive severance pay as follows:

- a. Option I. An employee who is at least 55 years of age with at least 20 years of service with the Association shall receive severance pay as provided in Article IV of the Plan.
- b. Option II. An employee who is at least 50 years of age with at least 15 years of service with the Association shall receive severance pay as provided in Article IV of the Plan.
- c. Option III. An employee with at least 5 years of service who does not meet the requirements of Option I or Option II shall receive severance pay in an after-tax amount of \$3,000."

The above provisions relating to the Program will not be effective for terminations that occur after the close of business on February 28, 2000.

2. Effective December 1, 1999, Article IV is deleted and replaced by the following Article IV:

"IV. Basic Plan Benefits

An employee who terminates employment in accordance with Section III, A-eligibility and properly executes a valid Separation Agreement with the Association in accordance with applicable law shall receive the following severance pay:

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