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2020 | sample report

severance pay policies

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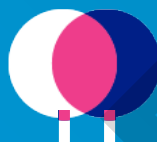
Car Cost Report



Global Compensation Planning



Global Parental Leave



Global Parental Leave Industry Scorecard



Global Pay Summary



Government Assistance & Supplemental Programs



Incentives Around the World



Salary Movement Snapshot*



Severance Pay Policies



The Design of Work



Vacation and Other Leave Policies



Worldwide Benefit & Employment Guidelines



Workforce Metrics Around the World



Workforce Turnover Around the World

* Not included in Talent All Access®

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Note: You may find this report easier to navigate by using bookmarks. Watch this [short video](#) to learn more.

Introduction

Although no one looks forward to terminations, layoffs, or other forms of employee departure, most organizations recognize that a severance package can benefit all parties. For employers, a well-structured severance pay policy can boost their employment brand, provide some protection against wrongful termination suits, and encourage former employees to return to the organization should the opportunity arise. For employees, the benefits are obvious: severance pay acts as a parachute to help cushion their re-entry to the job market.

There is more than one way to construct a severance policy. Not all employees are eligible for the same benefits, and severance pay is no exception. Given the fraught nerves and raw emotion that often surround employee terminations, it is imperative that you have a well-articulated and firmly grounded policy to guide the business through the severance pay process.

Do your research before creating a policy

Severance pay policies are similar to other HR programs, in that many factors contribute to determining the right solution. While you should be conscious of competitors' behavior, it is paramount that your organization is aware of the legal and regulatory statutes surrounding notice periods and severance pay in your markets. These rules, which are often dictated by collective bargaining action and labor codes, should underpin your organization's severance policy, and are particularly rigid surrounding aspects of termination like notice periods, pay in lieu of notice, and the justification for dismissal. HR and legal teams should keep an astute eye out for updates or changes in local ordinances, as noncompliance can cost considerably more than providing the proper benefits on the front end.





Delivering the package

The decision to offer or not offer severance pay is one thing, but determining how much to provide to an individual employee is another. The departure of an employee can be an emotional affair, and HR professionals are responsible for the unenviable task of calculating and justifying the payment provided to each employee as they walk out the door. Severance pay is delivered via lump sum payments or the continuation of regular paychecks, but policy decision-makers also must determine how to calculate the size of the payment for each individual. For instance, should employees receive payments based on their age, position within the organizational hierarchy, or length of service? Moreover, how should companies account for unused leave or other benefits?

Many terminated employees also are owed some portion of a short-term incentive, bonus, or commission. Parsing out these components of an employee's compensation and incorporating it into a fair severance pay package can be a tedious task, but doing so correctly is critical to executing a successful severance pay policy.

Unprecedented times

There was an unexpected turn in 2020 as the world became aware of, and significantly impacted by COVID-19, and the need for temporary and permanent layoffs rose to the forefront for many employers. The inability to carry out business as normal presented many companies with tough decisions. Those who could continue to operate in a remote environment have kept as many employees as possible on the payroll, while many others have laid off employees in order to reduce costs. Despite the unusual circumstances, deferring to existing severance policies has helped those tasked with such a difficult undertaking to determine packages for outgoing employees.

Think it over

There are several considerations for every employer to consider when devising a severance pay policy:

- Who within my organization should receive severance payments upon termination?
- What are the pros and cons of offering terminated employees a lump sum payment versus salary continuation?
- How do the local laws and regulations in my markets impact my ability to customize severance payments?
- How should I calculate severance payments for each employee?
- After offering a severance package to an outgoing employee, should I allow that employee to return to my organization?

Report structure

The **2020 Severance Pay Policies** publication breaks down and analyzes practices for managing the termination and release of employees. Individual country results show local practices toward severance pay eligibility, notice periods, types of severance payments, and more.

This report includes the following sections:

Individual market results

Each market includes the following content:

- Severance pay policy
- Notice period
- Severance payments
- Payment formula
- Outplacement services
- COVID-19 impact
- Statutory requirements

About this report

This section delineates the methods used in the report and lists key definitions.

- Methodology includes data sources used to compile this report, currency conversion rates, and other details on calculations and assumptions.
- Glossary provides definitions for many of the terms used throughout this report, as well as other HR-related terms.

Reading this report

The following pages provide tips and guidelines to help navigate the report content.

Severance pay policy

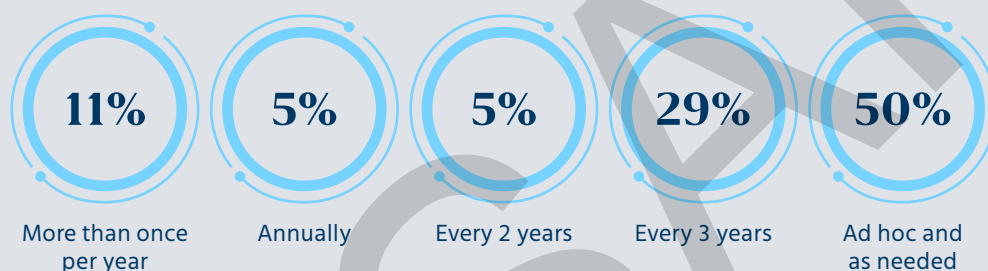
This section provides an overview of severance pay policies, including eligibility and terms of payment.

At which organizational level are severance pay policies managed?



The darker shaded portion shows the percentage of companies that have a global, regional or local severance pay policy

How often do you review your severance pay policy?



N=100

Some questions allowed more than one response. The sum of all responses will typically be greater than 100% for these questions.

Are companies planning to make any long-term changes to severance pay policies?



N=100

The 'N=' indicates the sample size for each question.

How are companies planning to change their severance policies?



N=100

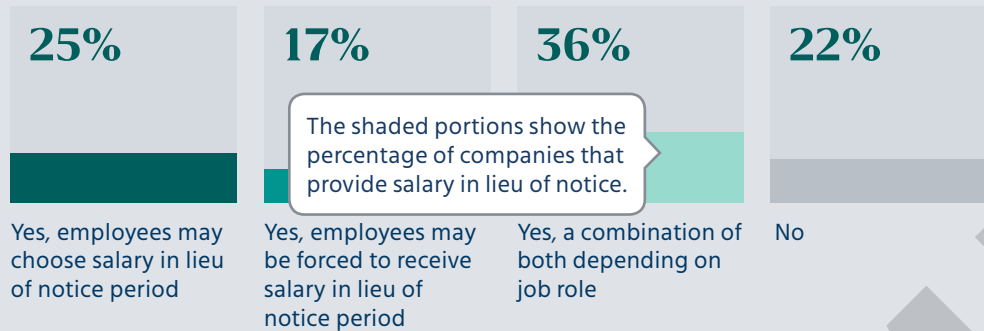
Note: More than one response was permitted; percentages may sum to more than 100%.

Reading this report

Notice period

This section provides data on notice periods for individual and collective dismissals.

Do companies provide salary in lieu of the notice period?



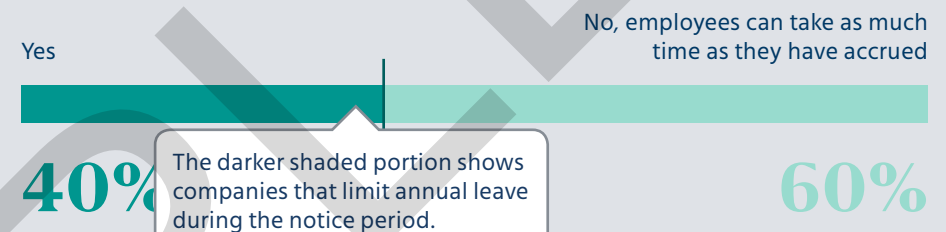
N=100

Are employees permitted to use remaining annual leave (e.g., personal days, vacation days, etc.) during the notice period?



N=100

Is there a limit on the amount of annual leave that may be taken during the notice period?



N=100

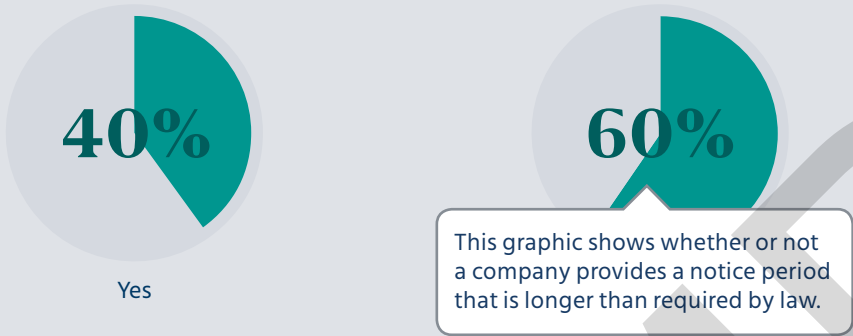
Are employees permitted to take time off to search for a new job during the notice period?



N=100

Notice period for involuntary individual terminations

Do companies provide a notice period for involuntary individual terminations that is longer than required by law?



N=100

What is the total length (including any statutory amount) of the severance notice period for individual terminations?

	Days		Weeks		Months		
	Average	Median	Average	Median	Average	Median	N=
Executive	10			0.5			15
Management	10			0.5			15
Professional	10			0.5			15
Para-professional	10	10	2	2	0.5	0.5	13

Note: Data include statutory notice period if applicable.

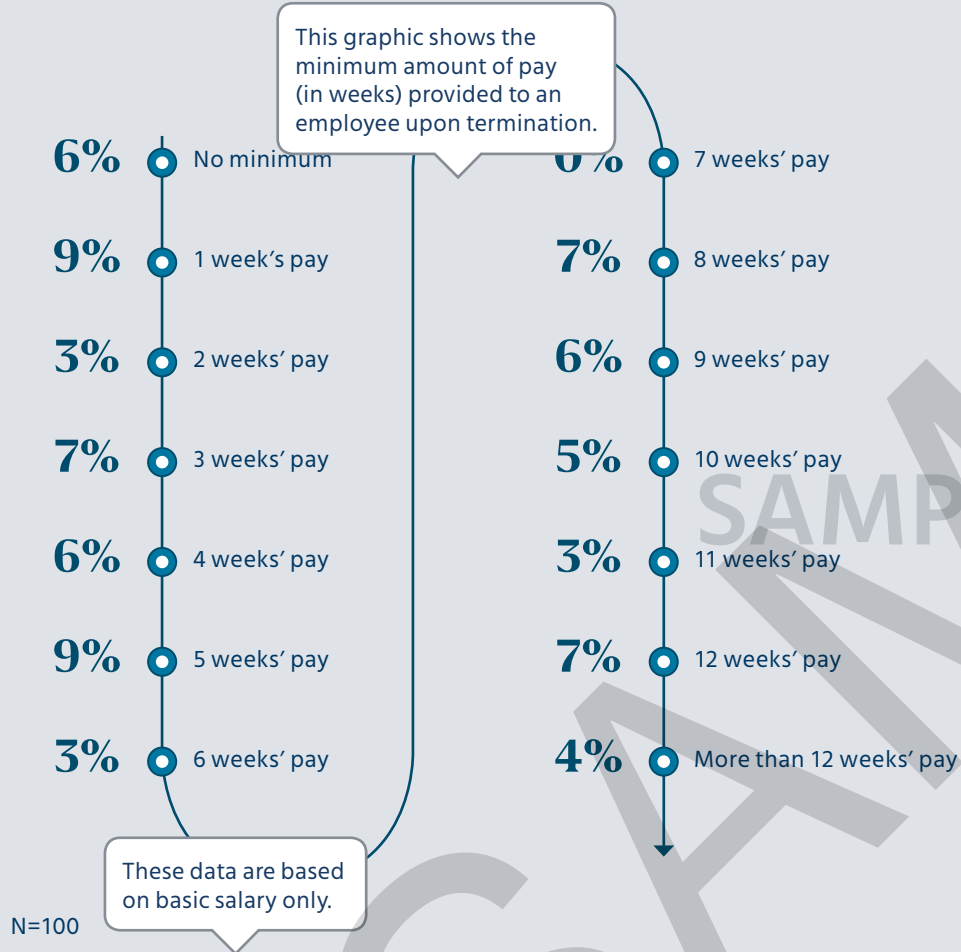
Statutory notice periods are included in the data.

The “N” indicates the number of responses for each job level. This number may vary depending on the number of responses for each job level.

Severance payments for collective dismissals

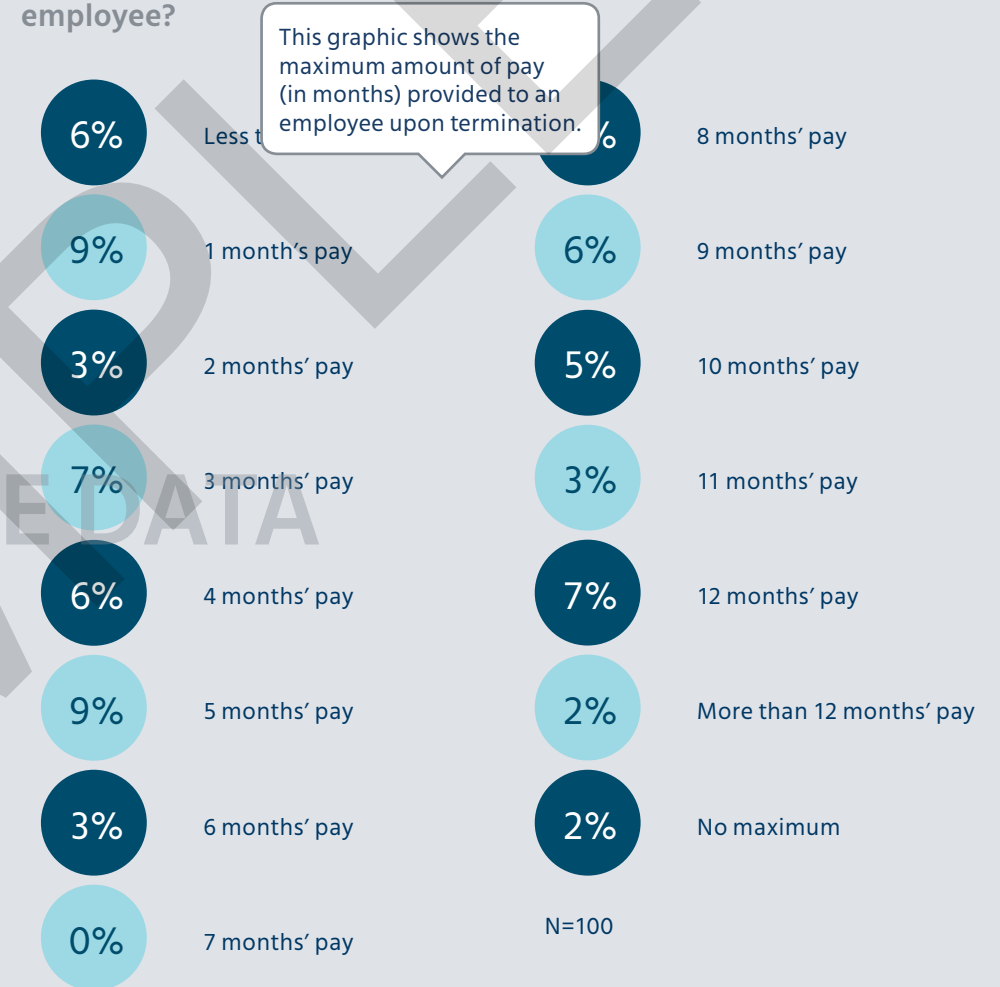
This section provides data on minimum and maximum severance payments for individual and collective dismissals.

What is the minimum severance payment provided to an employee?



Note: Does not include additional payments such as unused vacation days.

What is the maximum or capped severance payment provided to an employee?



Note: Does not include additional payments such as unused vacation days.

Reading this report

In addition to salary (e.g., number of weeks/months of pay), which of the following are included in the final severance payment?

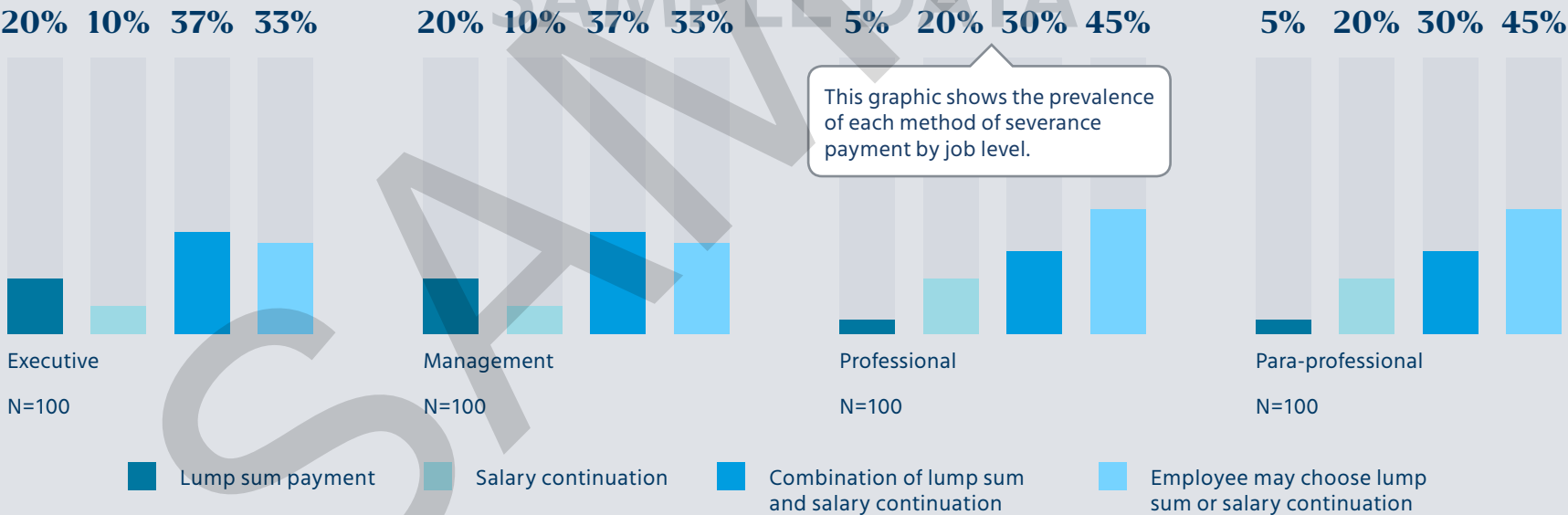
This graphic shows the percentage of companies that provide payments in addition to basic salary when calculating final severance payments.



N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

What method of payment is used for severance payouts for involuntary individual terminations?

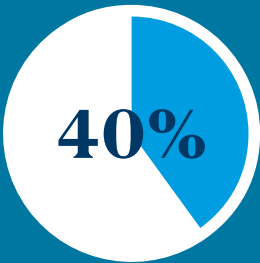


Reading this report

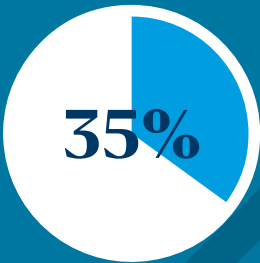
Payment formula

This section includes data on the different payment formulas used when calculating severance payments.

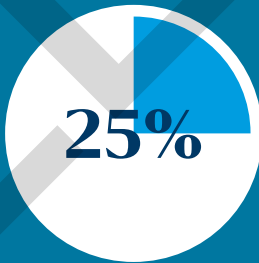
How are severance payments calculated?



Using a formula based on years of service



Using a formula based on years of service and age of the employee



None of these

N=100

Formula based on years of service

How much severance pay is provided per year of service?

Amounts are provided for both individual and collective dismissals

	Involuntary individual terminations					Collective dismissals				
	Weeks		Months			Weeks		Months		N=
	Average	Median	Average	Median		Average	Median	Average	Median	
Executive	2	2	0.5	0.5	15	2	2	0.5	0.5	15
Management	2	2	0.5	0.5	15	2	2	0.5	0.5	15
Professional	2	2	0.5	0.5	15	2	2	0.5	0.5	15
Para-professional	2	2	0.5	0.5	15	2	2	0.5	0.5	15

Note: Does not include additional payments such as unused vacation days. Amounts provided in two formats (weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding.

Formula based on years of service and age of the employee

What is the total severance provided based on years of service and age?

This table shows the total number of weeks and months of pay based on employee age and years of service. For example, an employee aged 40 with 0-5 years of service receives a total of 2 weeks severance pay.

Employee age	Involuntary individual terminations					Collective dismissals				
	Weeks		Months		N=	Weeks		Months		N=
	Average	Median	Average	Median		Average	Median	Average	Median	
Age 25	2	2	Average and median number of weeks and months are provided.		15	Survey respondents provided data in either weeks or months, depending on their policy. Data were then converted to weeks and months. See the About this report section for conversion data.		0.5		15
Age 30	2	2			15					15
Age 40	2	2	0.5	0.5	15	2	2	0.5	0.5	15
Age 50	2	2	0.5	0.5	15			0.5	0.5	15
Age 60	2	2	0.5	0.5	15			0.5	0.5	15

Note: Does not include additional payments such as unused vacation days. Amounts provided in two formats (weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding.

Additional payments are not included in the amounts above.

Market name

Severance pay policy

At which organizational level are severance pay policies managed?



N=100

How often do companies review their severance pay policy?



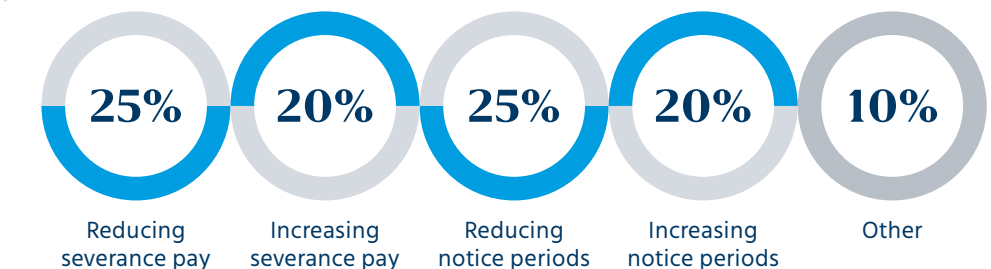
N=100

Are companies planning to make any long-term changes to severance pay policies?



N=100

How are companies planning to change their severance policies?



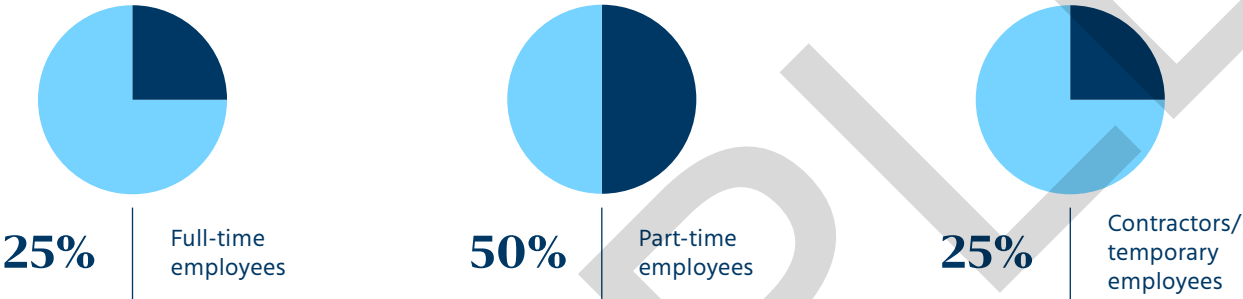
N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

Country

Eligibility

Which types of employees are covered in the company severance pay policy?



N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

What is the minimum length of service required for eligibility under the company severance pay policy?

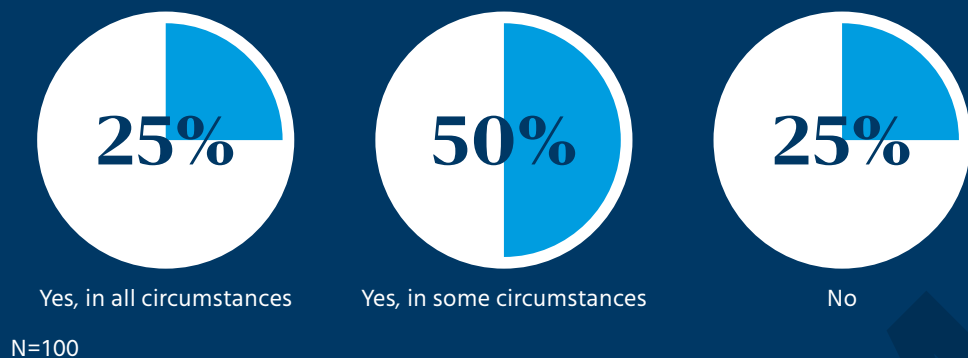


N=100

Country

Terminations with cause

Are severance payments provided when an individual is terminated with cause (e.g., fired)?



Why are severance payments provided for individual terminations with cause?

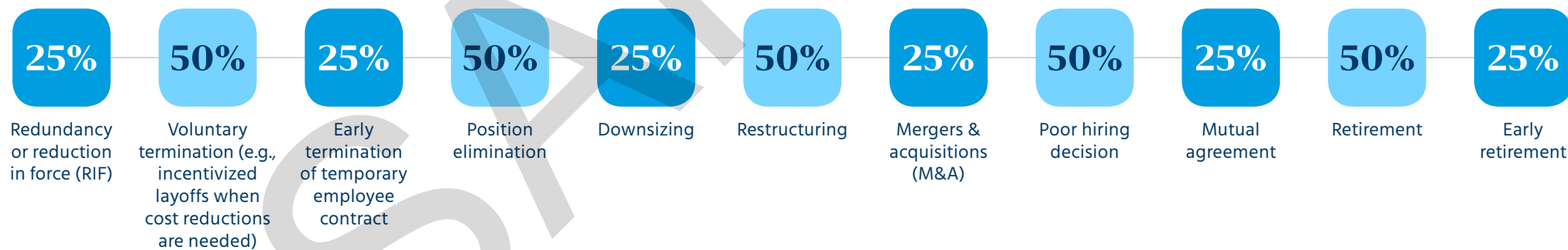


N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

Terminations without cause

Under which of the following circumstances do companies provide a severance payout for an employee terminated without cause?



N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

Country

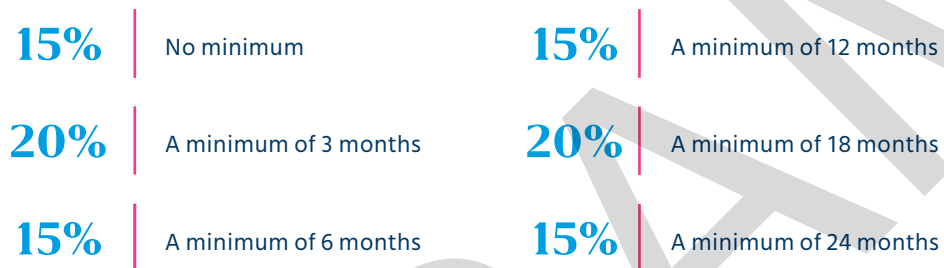
Return to company policy

Are employees allowed to return to the company after receiving a severance payout?



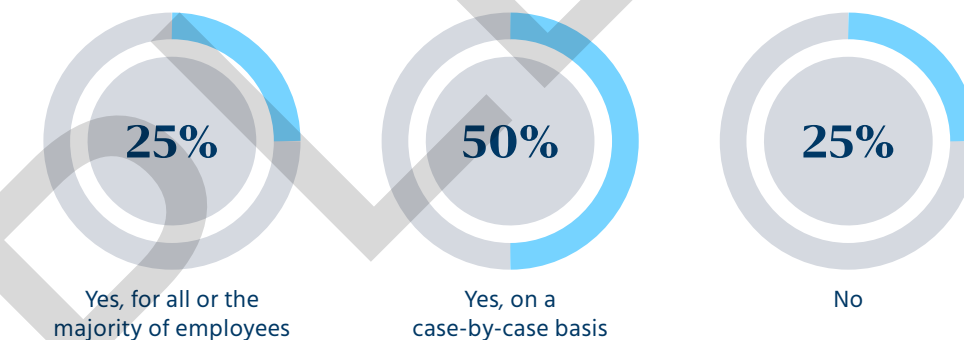
N=100

How long does an employee have to wait before returning to the company after receiving a severance payout?



N=100

Is the employee's previous service period recognized if they return to the company after receiving a severance payout?



N=100

What is the maximum period of absence allowed for an employee's previous service to be recognized?

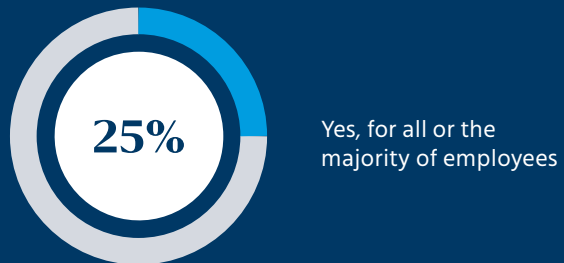


N=100

Country

Severance payment agreement

Are employees required to sign an agreement in exchange for their severance payout?



N=100

Which of the following conditions are included in the severance payout agreement?

25% Noncompete

50% Nondisclosure

25% Nondisparagement

50% Nonpoaching

25% Nonsolicitation

50% Agrees not to take legal action against the company in the future (e.g., waiver and/or release of claims)

25% Confidentiality of the agreement

50% Final and full settlement

25% Not eligible to apply for job with company in the future

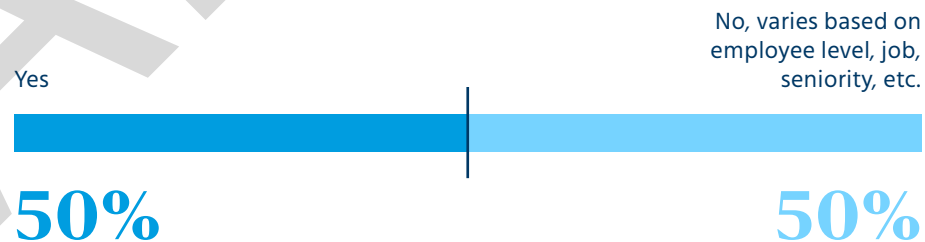
50% No conditions

25% None of these

N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

Do the listed conditions apply to all severance payout agreements?

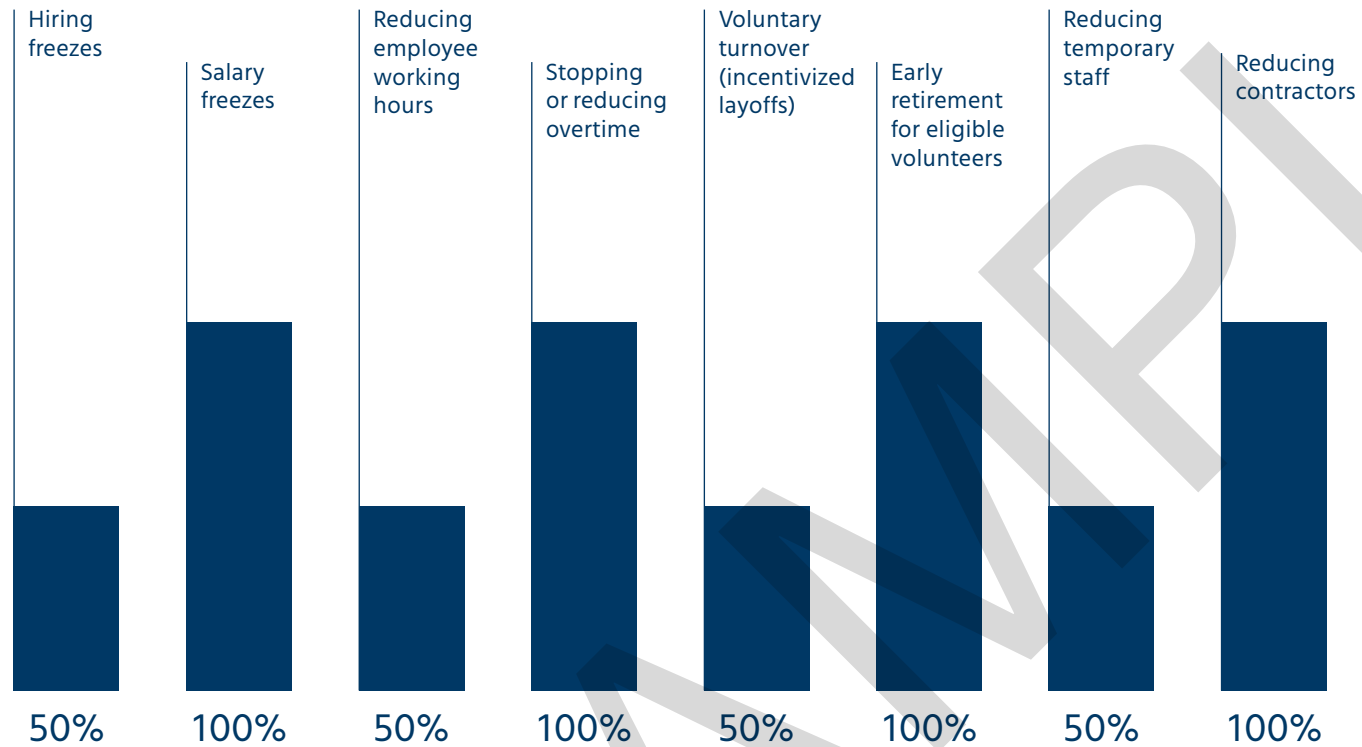


N=100

Country

Layoff alternatives

Do companies consider any of the following in order to avoid laying off employees?

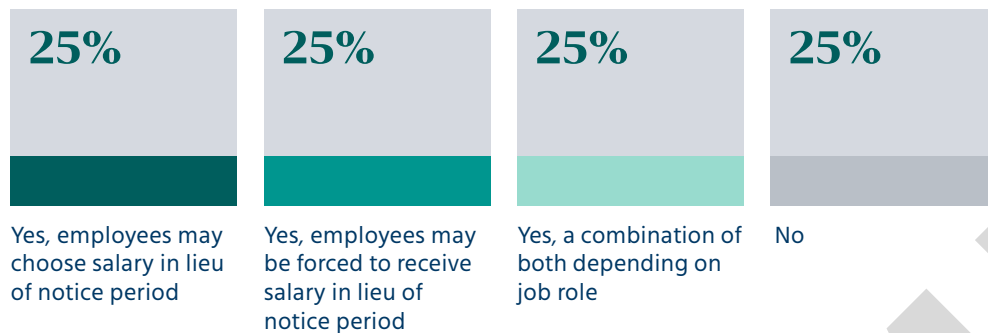


N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

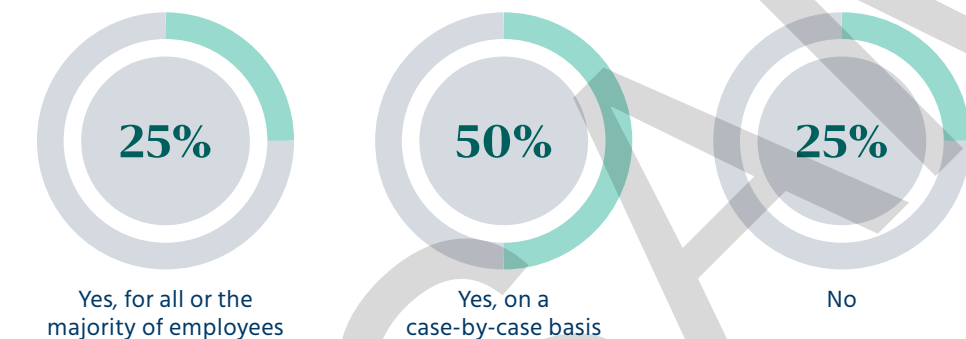
Notice period

Do companies provide salary in lieu of the notice period?



N=100

Are employees permitted to use remaining annual leave (e.g., personal days, vacation days, etc.) during the notice period?



N=100

Is there a limit on the amount of annual leave that may be taken during the notice period?



N=100

Are employees permitted to take time off to search for a new job during the notice period?

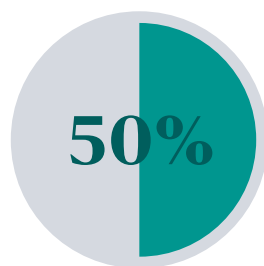


N=100

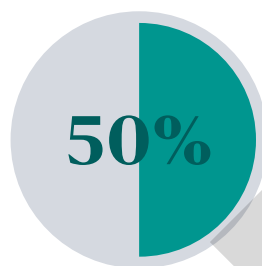
Country

Notice period for involuntary individual terminations

Do companies provide a notice period for involuntary individual terminations that is longer than required by law?



Yes



No

N=100

What is the total length (including any statutory amount) of the severance notice period for individual terminations?

	Days		Weeks		Months		N=
	Average	Median	Average	Median	Average	Median	
Executive	10	10	10	10	10.0	10.0	100
Management	10	10	10	10	10.0	10.0	100
Professional	10	10	10	10	10.0	10.0	100
Para-professional	10	10	10	10	10.0	10.0	100

Note: Data include statutory notice period if applicable. Amounts provided in three formats (days/weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding. Days are "work days."

Notice period for collective dismissals

Do companies provide a notice period for collective dismissals that is longer than required by law?



N=100

What is the total length (including any statutory amount) of the severance notice period for collective dismissals?

	Days		Weeks		Months		N=
	Average	Median	Average	Median	Average	Median	
Executive	10	10	10	10	10.0	10.0	100
Management	10	10	10	10	10.0	10.0	100
Professional	10	10	10	10	10.0	10.0	100
Para-professional	10	10	10	10	10.0	10.0	100

Note: Data include statutory notice period if applicable. Amounts provided in three formats (days/weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding. Days are “work days.”

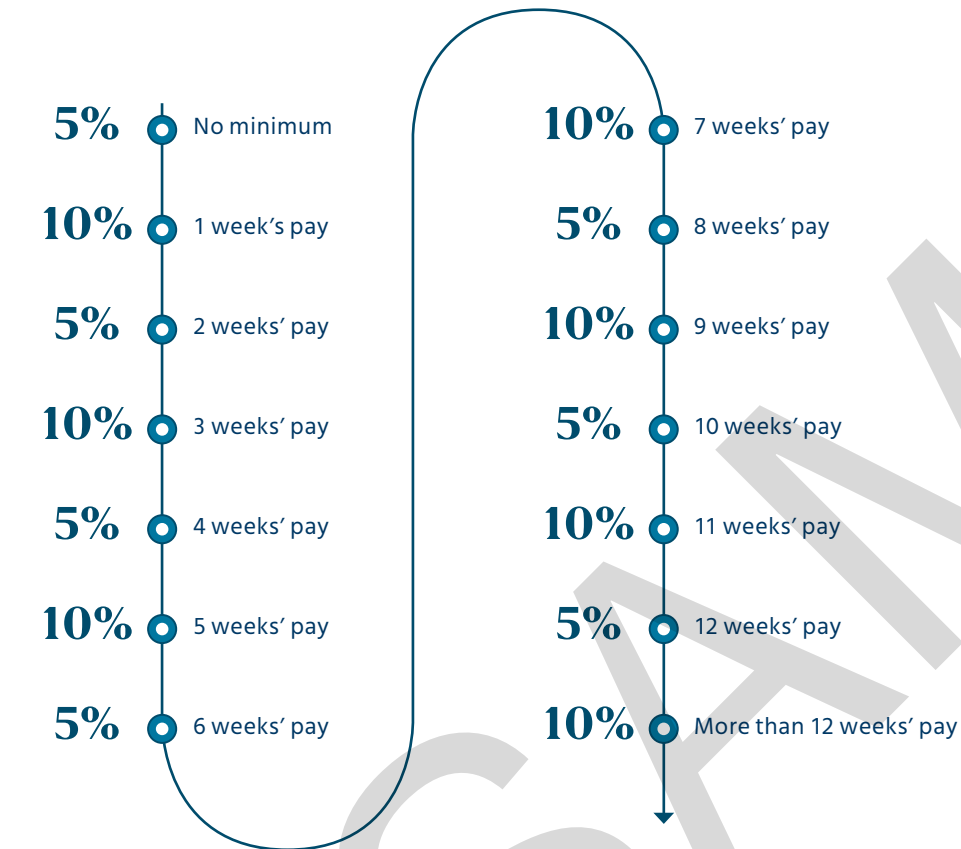
Country

Severance payments

Severance payments for involuntary individual terminations

What is the minimum severance payment provided to an employee?

What is the maximum or capped severance payment provided to an employee?



N=100

Note: Does not include additional payments such as unused vacation days.

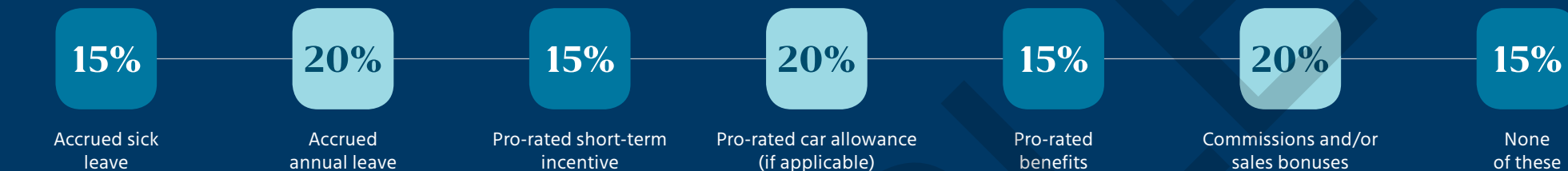


N=100

Note: Does not include additional payments such as unused vacation days.

Country

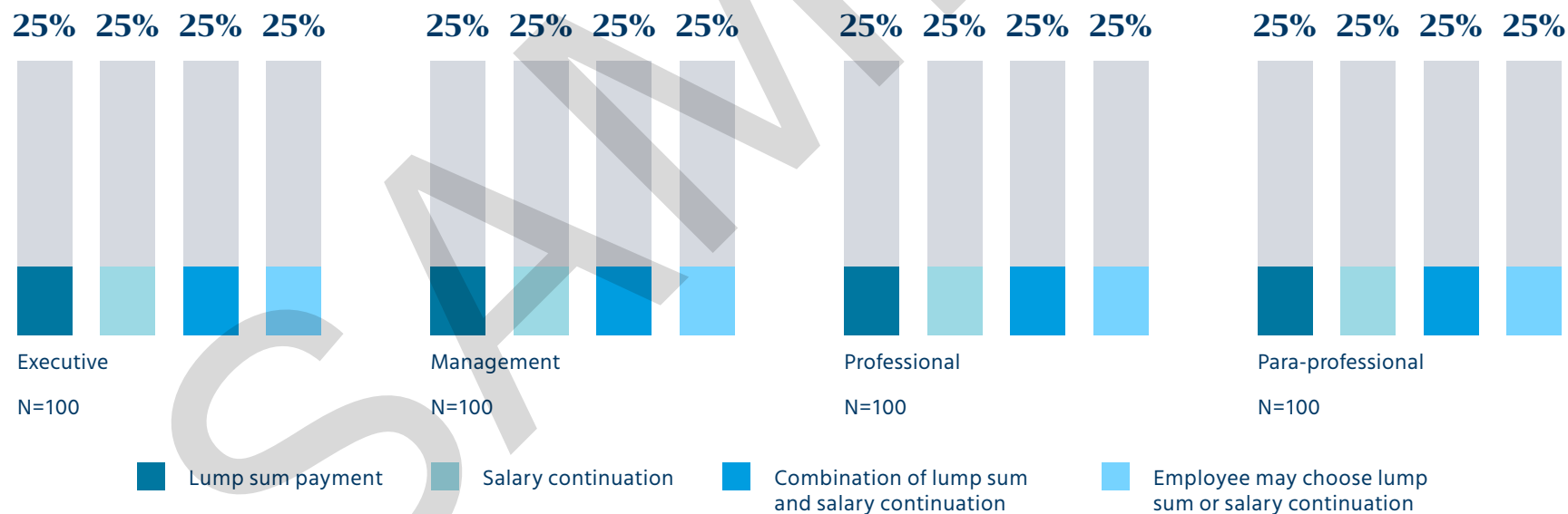
In addition to salary (e.g., number of weeks/months of pay), which of the following are included in the final severance payment?



N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

What method of payment is used for severance payouts for involuntary individual terminations?

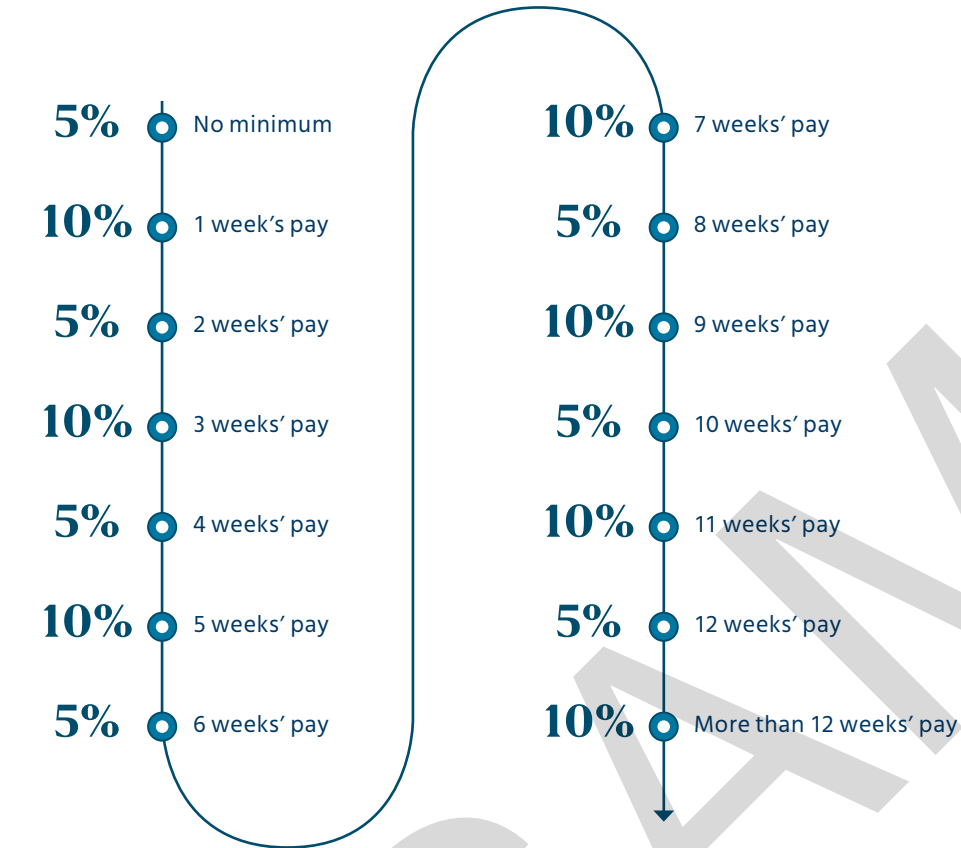


Country

Severance payments for collective dismissals

What is the minimum severance payment provided to an employee?

What is the maximum or capped severance payment provided to an employee?



N=100

Note: Does not include additional payments such as unused vacation days.

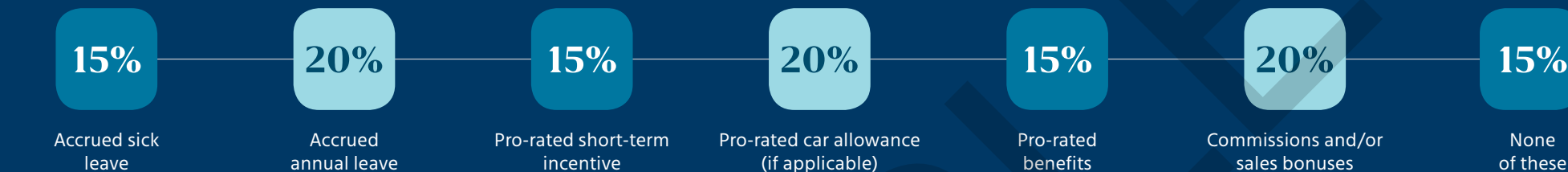


N=100

Note: Does not include additional payments such as unused vacation days.

Country

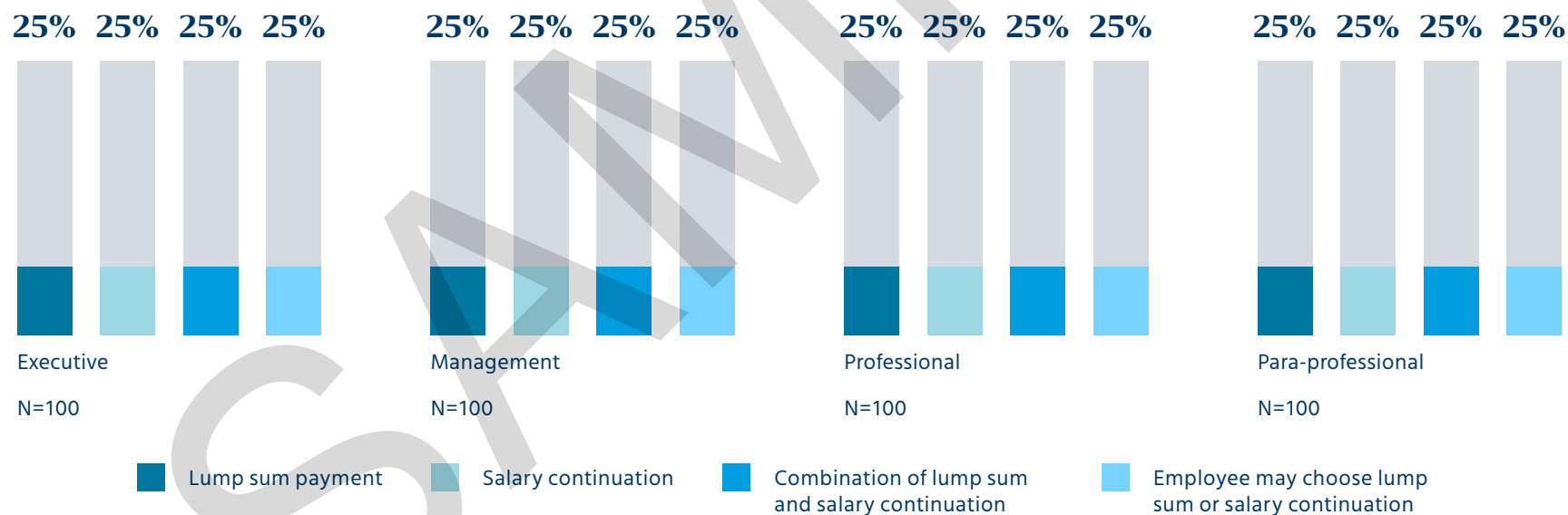
In addition to salary (e.g., number of weeks/months of pay), which of the following are included in the final severance payment?



N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

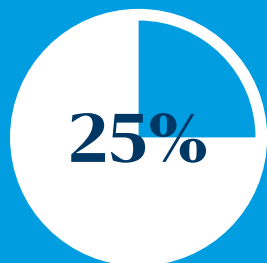
What method of payment is used for severance payouts for collective dismissals?



Country

Payment formula

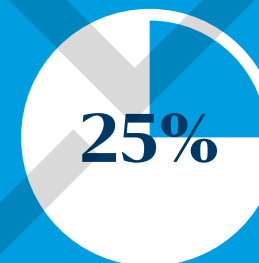
How are severance payments calculated?



Using a formula based on years of service



Using a formula based on years of service and age of the employee



None of these

N=100

Formula based on years of service

How much severance pay is provided per year of service?

	Involuntary individual terminations					Collective dismissals				
	Weeks		Months		N=	Weeks		Months		N=
	Average	Median	Average	Median		Average	Median	Average	Median	
Executive	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Management	2	2	20	20	20	2	2	20	20	20
Professional	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Para-professional	2	2	20	20	20	2	2	20	20	20

Note: Does not include additional payments such as unused vacation days. Amounts provided in two formats (weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding.

Country

Formula based on years of service and age of the employee

What is the total severance provided based on years of service and age?

0–5 years of service

Employee age	Involuntary individual terminations					Collective dismissals				
	Weeks		Months		N=	Weeks		Months		N=
	Average	Median	Average	Median		Average	Median	Average	Median	
Age 25	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 30	2	2	20	20	20	2	2	20	20	20
Age 40	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 50	2	2	20	20	20	2	2	20	20	20
Age 60	2	2	2.0	2.0	20	2	2	2.0	2.0	20

Note: Does not include additional payments such as unused vacation days. Amounts provided in two formats (weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding.

Country

6–10 years of service

Employee age	Involuntary individual terminations					Collective dismissals				
	Weeks		Months		N=	Weeks		Months		N=
	Average	Median	Average	Median		Average	Median	Average	Median	
Age 25	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 30	2	2	20	20	20	2	2	20	20	20
Age 40	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 50	2	2	20	20	20	2	2	20	20	20
Age 60	2	2	2.0	2.0	20	2	2	2.0	2.0	20

11–15 years of service

Employee age	Involuntary individual terminations					Collective dismissals				
	Weeks		Months		N=	Weeks		Months		N=
	Average	Median	Average	Median		Average	Median	Average	Median	
Age 30	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 40	2	2	20	20	20	2	2	20	20	20
Age 50	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 60	2	2	20	20	20	2	2	20	20	20

Note: Does not include additional payments such as unused vacation days. Amounts provided in two formats (weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding.

Country

16–20 years of service

	Involuntary individual terminations					Collective dismissals				
Employee age	Weeks		Months			Weeks		Months		
	Average	Median	Average	Median	N=	Average	Median	Average	Median	N=
Age 40	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 50	2	2	20	20	20	2	2	20	20	20
Age 60	2	2	2.0	2.0	20	2	2	2.0	2.0	20

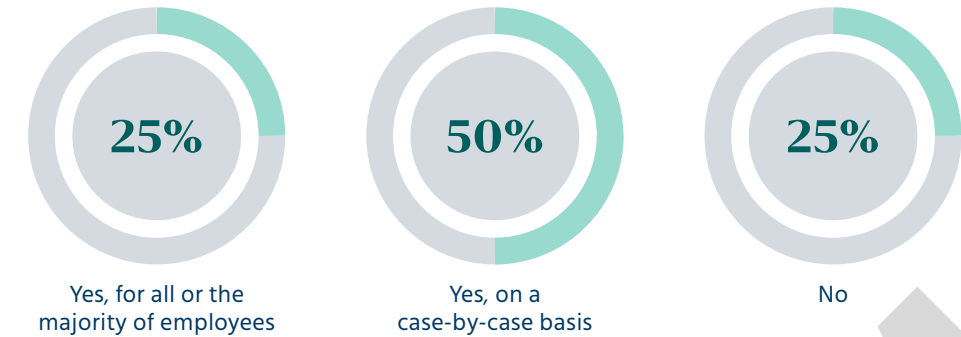
21+ years of service

	Involuntary individual terminations					Collective dismissals				
Employee age	Weeks		Months			Weeks		Months		
	Average	Median	Average	Median	N=	Average	Median	Average	Median	N=
Age 40	2	2	2.0	2.0	20	2	2	2.0	2.0	20
Age 50	2	2	20	20	20	2	2	20	20	20
Age 60	2	2	2.0	2.0	20	2	2	2.0	2.0	20

Note: Does not include additional payments such as unused vacation days. Amounts provided in two formats (weeks/months) based on conversion of provided data. Amounts may appear to differ slightly due to conversion rates and rounding.

Outplacement services

Do companies provide outplacement services to employees who receive a severance payout?



N=100

Are employees required to sign an agreement in exchange for their outplacement services?



N=100

Outplacement eligibility

What length of time are outplacement services provided to each employee level?

	Executive	Management	Professional	Para-professional
1 month	50%	25%	50%	25%
2 months	50%	25%	50%	25%
3 months	50%	25%	50%	25%
4 months	50%	25%	50%	25%
5 months	50%	25%	50%	25%
6 months or more	50%	25%	50%	25%
Not eligible	50%	25%	50%	25%
N=	100	100	100	100

Country

Program effectiveness and feedback

How do companies measure the effectiveness of outplacement programs?



N=100

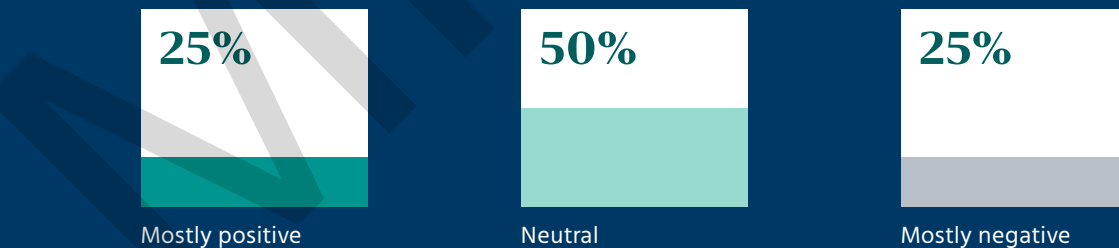
Note: More than one response was permitted; percentages may sum to more than 100%.

Do outplacement service providers gather feedback from former employees on the program effectiveness?



N=100

Based on the feedback collected by outplacement service providers, what is the overall sentiment of former employees?

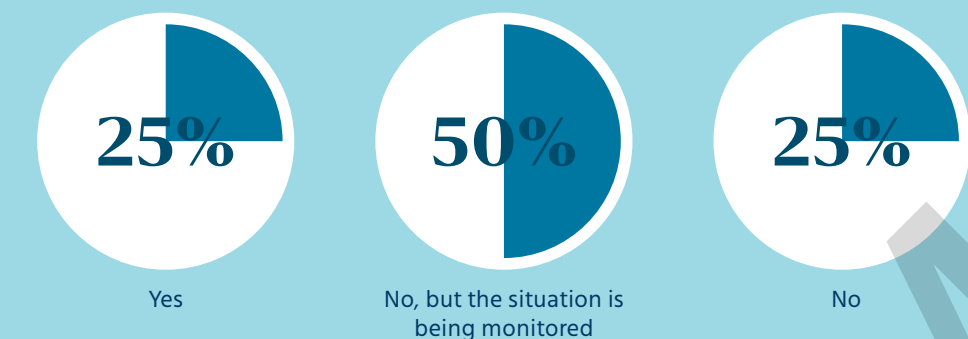


N=100

Impact of COVID-19

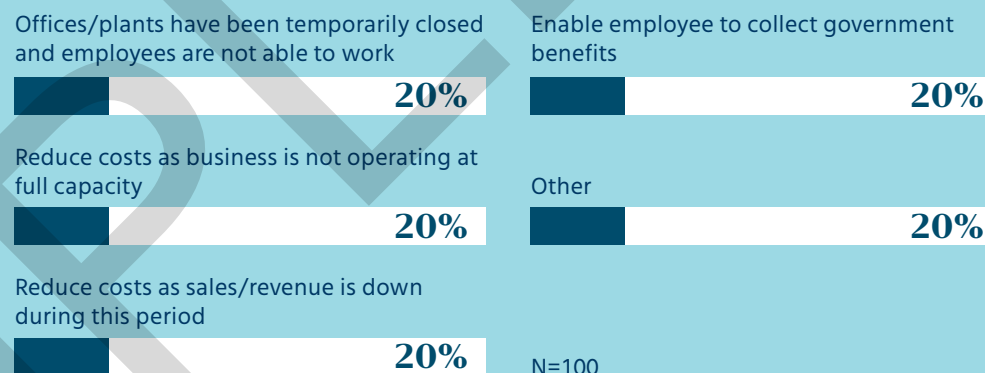
Temporary layoffs due to COVID-19

Have companies temporarily laid off (furloughed) any employees due to the impact of COVID-19?



N=100

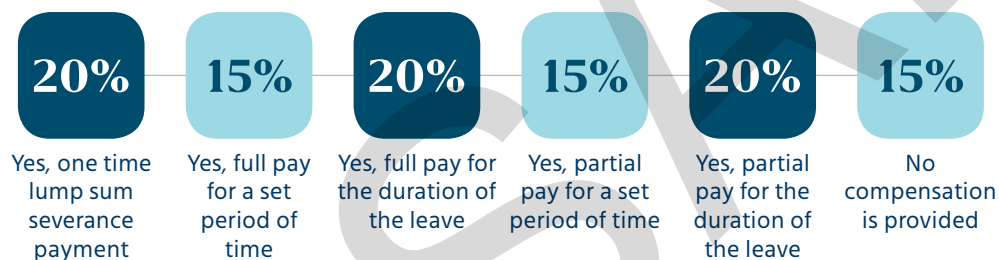
What are the reasons for implementing temporary layoffs?



N=100

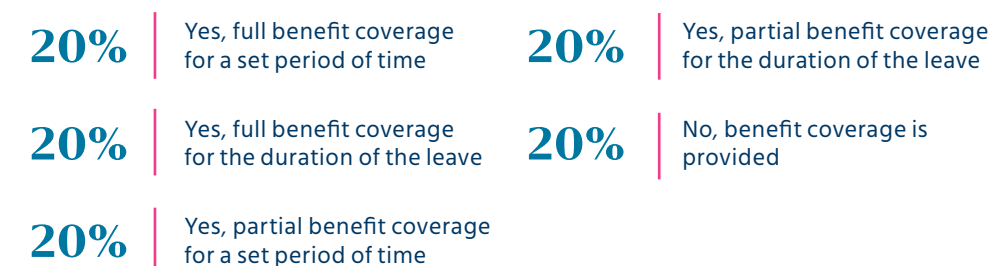
Note: More than one response was permitted; percentages may sum to more than 100%.

Are companies providing any compensation to employees temporarily laid off due to the impact of COVID-19?



N=100

Are companies providing any benefits coverage to employees temporarily laid off due to the impact of COVID-19?



N=100

Country

Are companies providing access to outplacement services for employees temporarily laid off due to the impact of COVID-19?



Yes, all employees temporarily laid off have access



Yes, some employees temporarily laid off have access



No

N=100

Are companies planning any special return-to-work policies for employees temporarily laid off due to the impact of COVID-19?

Yes, all employees are guaranteed a job when business is 'back to normal'

50%

Yes, some employees are guaranteed a job when business is 'back to normal'

50%

Yes, employees who reapply to work for the company will be given priority

50%

No

50%

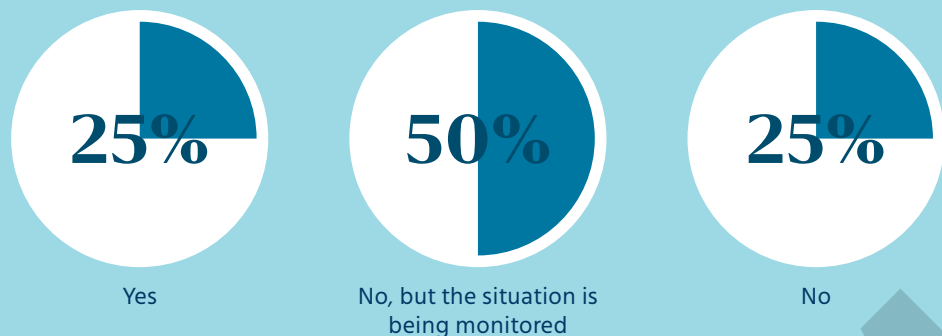
N=100



Country

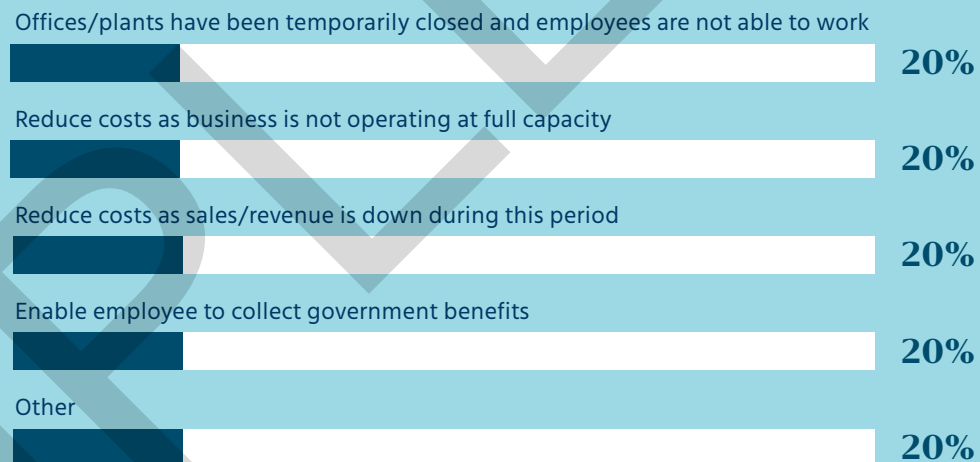
Permanent layoffs due to COVID-19

Have companies permanently laid off any employees due to the impact of COVID-19?



N=100

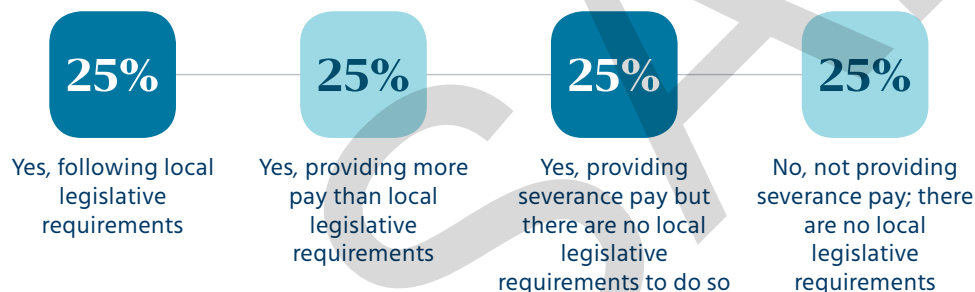
What are the reasons for implementing permanent layoffs?



N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

Are companies providing any severance pay to employees permanently laid off due to the impact of COVID-19?



N=100

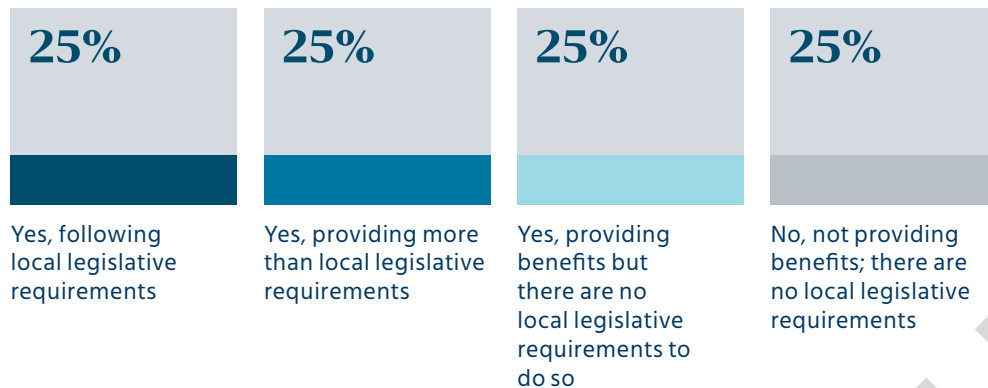
Is the compensation provided the same as the "standard" severance package?



N=100

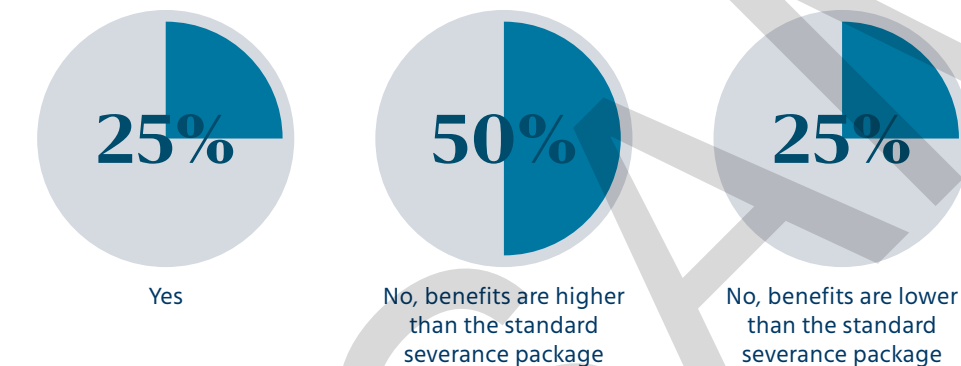
Country

Are companies providing any benefits coverage to employees permanently laid off due to the impact of COVID-19?



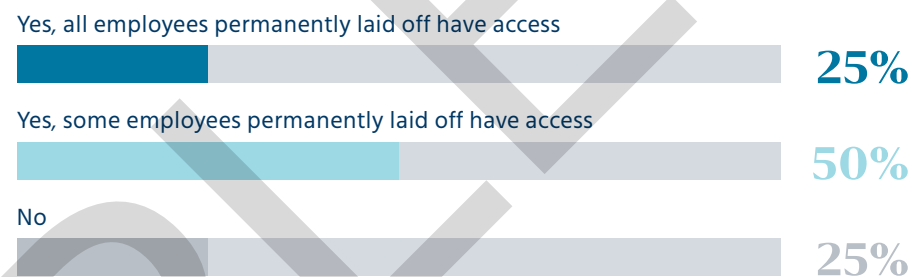
N=100

Are the benefits provided the same as the “standard” severance package?



N=100

Are companies providing access to outplacement services for employees permanently laid off due to the impact of COVID-19?



N=100

Is the length of time employees have access to outplacement services the same as the “standard” severance package?



N=100

Country

Are companies planning any special return-to-work policies for employees permanently laid off due to the impact of COVID-19?

Yes, employees who reapply to work for the company will be given priority **50%**

Not sure, yet to be determined **50%**

No **50%**

Other **50%**

N=100



If employees permanently laid off due to the impact of COVID-19 return to work when business is "back to normal," will companies require reimbursement (clawback) of any severance payments?

25%

Yes, for all employees

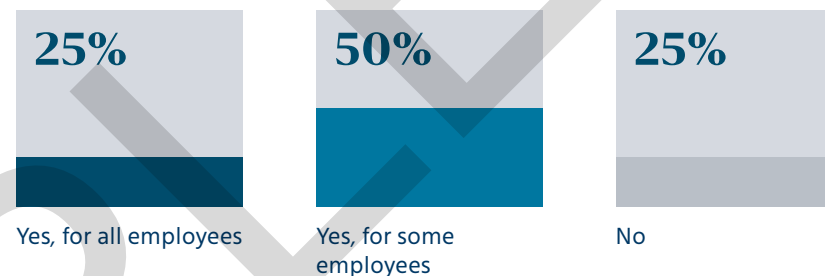
50%

Yes, for some employees

25%

No

N=100



Which of the following workforce changes are companies planning in 2020 due to the impact of COVID-19?

15%

Permanent layoffs

20%

Rehiring employees who were permanently laid off

15%

Temporary layoffs

20%

Not sure, monitoring the situation

15%

Rehiring employees who were temporarily laid off

20%

No changes planned at this times

N=100

Note: More than one response was permitted; percentages may sum to more than 100%.

Statutory requirements

Individual termination

Overview of individual termination and severance policy

Company notice period		Involuntary termination of service
Length of service	Period of notice	Amount paid
0–3 months	None.	None.
Over 3 months	None.	1 month's salary for each year of service plus additional 1 month's salary for each year of service if 3 month's notice not provided.

Note: Instead of accepting severance, the employee can ask the labor authorities for reinstatement, with all benefits.

Definition and conditions of fair and unfair termination

Causes of termination are written in the Working General Law, Article 16 (dismissal with fair cause).

Termination without notice

Such termination is valid under Labor Law in the following circumstances:

- Intentional material damage caused to work instruments
- Disclosure of industrial secrets
- Negligent acts that may affect industrial security and hygiene

- Failure to comply with work agreement
- Theft or robbery by employee

A parent of a child cannot be dismissed within one year of the birth of their child.

Company notice period

In the past, fixed-term employment contracts required a 90-day notice of termination by the employer. However, employers are no longer permitted to dismiss personnel without fair cause (*causa justa*). It is not mandatory to provide notice when an employee is dismissed due to fair cause.

Employee notice period

In the case of voluntary resignation, an employee who does not provide notice 30 days in advance could lose the last monthly salary.

Pay-in-lieu of notice permitted

Not applicable.

Other requirements

In the case of voluntary resignation of an employee or dismissal due to fair cause, the employer and employee must sign and send a form (*finiquito*) to the labor authorities.

Country

Benefits paid on involuntary termination of service

There are two types of termination indemnities:

- Termination indemnity (*Indemnización*), which corresponds to one month's salary per year of service in the company. This benefit applies to those who have at least three months of service.
- Additional payment in case of dismissal (*Desahucio*) when the employee is not warned three months in advance. This payment only applies when the company dismisses the employee without warning (in advance), with the sum equivalent to one month's salary or wages for each year of continuous work.

In the case of an unjustified dismissal, a worker with at least three month's service could ask the labor authorities for reinstatement, with all benefits.

Benefits paid on voluntary resignation

In the case of voluntary resignation, an employee who does not provide notice 30 days in advance could lose the last monthly salary.

Description of financing

Not available.

Other comments

Not available.

Collective dismissal

Definition and conditions of collective dismissal

See "Individual termination."

Company notice period

See "Individual termination."

Pay-in-lieu of notice permitted

Not applicable.

Other requirements

See "Individual termination."

Benefits paid on collective dismissal

See "Individual termination."

Description of financing

Not available.

about this report

Methodology

This section provides information on the methods of collecting, collating, and analyzing data for this publication. You will also find notes on exceptions and exclusions in the data and a list of data sources, relevant equations, and currency conversions rates, along with a glossary of key terms.

Data collection

Data for this publication were collected from the following primary data sources:

- 2020 Severance Pay Policies survey
- Mercer's 2020 Worldwide Benefit & Employment Guidelines

Data were collected through a global survey on Severance Pay Policies during April to June 2020. It was open to all companies that provide severance benefits and have operations in at least one of the markets included in the survey.

Note: Participants completed questions that were applicable to their policies; therefore, sample sizes vary by question. Keep sample size in mind when making decisions; a small sample size may not be a true reflection of the market.

The statutory requirements were sourced from Mercer's Worldwide Benefit & Employment Guidelines (WBEG). This information is for guidance purposes only.

Data analysis

Statistics

The following statistics are presented in this report:

- **Median or 50th percentile:** The data point that is higher than 50% of all other data in the sample when ranked from low to high.
- **Average:** The sum of all data reported divided by the number of data observations in the sample. Also known as the mean.
- **Prevalence:** The percentage of companies that provided a response to a question with a defined number of options to choose from. For example, a single response question or a multiple response (select all that apply) style question.
 - In single response questions, the sum of all responses may not equal 100% due to rounding.
 - In multiple response questions, the sum of all responses will be greater than 100%.

- **N or sample size:** The number of companies that reported data for the statistic.
- **Endash or “–”:** The sample is too small to provide the statistic.

Data masking

To ensure the confidentiality of all companies that provide data to Mercer's surveys, statistics have been “masked” by displaying an endash or “–” when minimum sample sizes are not met.

- A minimum of three data points are required to report the average and prevalence percentages.
- A minimum of four data points are required to report the 50th percentile or median.

Working Days

Survey participants were provided with options for the format in which they provided the amount of severance pay out, for example, days, weeks, months etc. Based on the information provided, values were converted to a common format for ease of analysis. See the “Common conversions” table if you would like to evaluate leave in an alternate format.

Common conversions	
7 calendar days/5 working days	1 week
14 days/10 working days	2 weeks
21 days/15 working days	3 weeks
30 calendar days/20 working days	4.33 weeks
1 month	4.33 weeks
3 months	13 weeks
6 months	26 weeks

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