

# MEMORANDUM

To: UAB Payroll Services  
From: UAB HR Employee Relations  
Subject: Severance Pay Tax Exemption Qualification

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Employee Name: \_\_\_\_\_ Employee ID: \_\_\_\_\_

The aforementioned employee has elected to receive a one-time lump sum severance payment. In accordance with §§ 40-2A-7(a)(5) and 40-18-19.1, Code of Alabama, 1975, the first \$50,000 of the severance package is exempt from state income tax, city occupational tax and county occupational tax.

- Payment **qualifies** for exemption
  
- Payment **does not qualify** for exemption

\_\_\_\_\_  
UAB HR Employee Relations Representative

\_\_\_\_\_  
Date