§ 2854. Severance packages. 1. For the purposes of this section:

(a) "at-will employee" shall mean an employee of any entity organized under this chapter. Any employee that is covered by a collective bargaining agreement or union contract shall not be considered an at-will employee for the purpose of this section.

(b) "severance pay for an at-will employee" shall include benefits or compensation with a quantifiable monetary value that are provided for an at-will employee upon termination of employment and shall not be considered part of the at-will employee's annual wages and benefits. "Severance pay for an at-will employee" shall not include payments for accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to cover the cost of group term insurance or payments of periodic contributions by an employer toward premiums for group insurance policies.

2. Notwithstanding any other law, rule or regulation to the contrary, severance pay provided for an at-will employee leaving employment shall not exceed an amount equivalent to their prior three months' salary.

3. Notwithstanding any other law, rule or regulation to the contrary, the severance pay for an at-will employee shall be excluded from retirement deductions and from any calculations of retirement benefits.

4. If a retired or terminated at-will employee dies before all of their severance pay has been disbursed, the balance due must be paid to a named beneficiary or, lacking one, to the decedent's estate.

5. No collective bargaining agreement or union contract shall be altered by the provisions of this section.