



Agenda Item Executive Summary

Item Name Discussion Regarding Early Acceptance of Employee Resignations Committee or Board Committee

BUDGET IMPACT

Amount:	N/A	Budgeted:	N/A
List what fund:	N/A		

EXECUTIVE SUMMARY

Village staff is seeking policy direction from the Board regarding the practice of accepting employee resignations prior to the employee's stated final day of employment.

The Village Attorney has advised that when an employee voluntarily resigns and the Village elects not to allow the employee to work through their notice period, the Illinois Department of Employment Security may consider the separation to be an employer-initiated termination for the period between the employee's last day worked and their intended resignation date. This can result in the employee becoming eligible for unemployment benefits during that period, which may increase the Village's unemployment experience rating and, in turn, increase future unemployment insurance costs.

Based on this legal guidance, the Village's current practice has been to continue paying employees through their stated resignation date when they are not asked to report to work during their notice period. This approach is intended to preserve the voluntary nature of the resignation while minimizing the Village's exposure to unemployment claims.

There are circumstances where immediately accepting a resignation is operationally beneficial. Within the Winnebago Police Department, for example, the preferred practice is to relieve resigning officers of duty immediately to avoid complications related to court appearances, access to sensitive law enforcement information, equipment, and scheduling, while maintaining effective patrol operations. However, this practice may result in paying an employee for time not worked. In a recent police resignation, the Village incurred approximately 60 hours of paid non-working time in addition to the employee's accrued vacation payout.

Staff is requesting policy direction from the Board on its level of tolerance for the potential unemployment liability associated with accepting employee resignations prior to their stated effective date. If the Board is comfortable accepting that risk in situations where operational needs warrant an immediate separation, staff will adjust its administrative practice accordingly. If the Board is not comfortable assuming that risk, staff will prepare a formal policy establishing consistent procedures for handling employee resignations in a manner that mitigates potential unemployment claims while balancing the Village's operational needs.

ATTACHMENTS (PLEASE LIST)

None

ACTION REQUESTED

- ☒ For Discussion Only
- ☐ Resolution
- ☐ Ordinance
- ☐ Motion:

MOTION:

Staff: Joseph Dienberg, Village Administrator Date: 8/5/2026