

Subject:       **Layoff and Recall**

Applies to:    All Staff (Those represented by a collective bargaining unit should refer to their agreements)

- I.       Policy: A layoff is defined as an action involving the reduction of staff necessitated by lack of work or other reasons. As described more fully below, employees will be selected for layoff on the basis of a criteria-based evaluation of ability, performance and seniority, with the greatest emphasis being placed ability, then performance, and then seniority. Recalls to work will generally be in the reverse order of layoffs.

Note: Department administrators should contact Human Resources for assistance with planning the restructuring of their organizations and planning and implementing layoffs.

II.       Guidelines:

- A.       A department is defined as each unit which has a specific departmental number assigned in the University Division/Department System.
- B.       Temporary Layoff: A temporary layoff is a period of employer-initiated unpaid leave with the expectation of recall to work within 4 months from the time the layoff begins.
1.       Staff members on temporary layoff are not eligible for severance pay.
  2.       Staff members on temporary layoff as a result of the academic calendar need not be considered for temporary assignment to vacancies for regular positions.
  3.       If the status of a layoff is changed to "indefinite" layoff, the provisions for indefinite layoff, outlined in II. C. will be implemented. The effective date of the indefinite layoff will be the same as the effective date of the temporary layoff.
- C.       Indefinite Layoff: An indefinite layoff is an employer-initiated unpaid leave of more than four months or of unspecified duration.
1.       Staff members who do not obtain alternate employment, either within or outside the University, will be terminated one calendar year after the last day of work.
- D.       Severance Pay: Staff members with one year or more of University service who are indefinitely laid off may be eligible to receive severance pay. Severance pay will be paid to eligible staff not obtaining other University employment or comparable employment outside the University by the end of the pay period following the effective date of layoff.

Severance Pay Entitlement:

Less than one year = no severance

1-5 years of employment = 4 week's base pay

6 or more years of service = one week of base pay for each year of service, prorated, with a maximum of 26 week's base pay

E. Criteria for Determining Staff to be Laid Off:

1. All decisions will be made on the basis of University needs, the requirements of work involved, and without regard to race, religion, color, national origin, age, sex, sexual orientation, marital status, disability, veteran or Vietnam era veteran status.
2. In no instance should a layoff process be utilized as a means of resolving unsatisfactory performance.
3. When a reduction in staff is necessary within a job classification within a department, new hires with less than six months of University service, temporary and TAR staff within that job classification shall be removed first and their employment terminated. All temporary (Strong Staffing or agency) assignments will end.
4. Staff members in the department affected will be laid off after an evaluation of ability, past performance and seniority.

Ability of the employees will be evaluated in accordance with criteria developed for each available position, which criteria shall include, but not necessarily be limited to, the employees' abilities in the areas of analysis, effectiveness, execution, innovativeness, technical skills and business skills.

Performance will be determined through examination of performance evaluations.

Seniority will be determined with reference to University service among employees in the classification in the department affected by the layoff.

Points will be assigned to each of the three areas, and weighted so that ability is multiplied by a factor of 5, performance by a factor of 3 and seniority by a factor of 2. The University may modify any part of these procedures where necessary to meet business needs or to retain an employee with abilities deemed to be critical or necessary to the organization.

5. Alternative to Layoff: As an alternative to reduction of staff within a job classification within a department by layoff, a dean or director may reduce the number of hours or days to be worked in a work week by some or all of the staff members within the affected job classification. Such a reduction

may not exceed 20% of an individual's schedule for the job classification in that department.

- a. An employee who declines a reduction in hours of no more than 20% is not eligible for layoff status but may seek a transfer or voluntarily resign.
  - b. When a full-time position is eliminated and replaced with a part-time position and would result in a salary reduction of 20% or more, the incumbent is eligible for layoff status.
  - c. When a regular part-time position is eliminated and replaced with a full-time position, the incumbent is eligible for layoff status if he or she is unavailable to work the required full-time schedule.
- F. Work Status: A staff member on layoff (temporary or indefinite) may work TAR (time-as-reported) in the department affected by the layoff or through Strong Staffing if work is available and the staff member meets the qualifications of the work available. The staff member will not jeopardize his or her layoff status.
- G. Referral of Staff Affected by Layoffs to Existing Vacancies:
1. Referrals will be made to classifications for which laid-off staff members are qualified. Job candidates will compete for internal positions in accordance with the selection criteria applicable to that job.
  2. It is the responsibility of the staff member notified of a pending layoff or who is on layoff to cooperate in efforts to achieve suitable alternative placement at the University. Staff will be expected to keep abreast of available jobs, be available to accept appointments for interviews and, in general, work with Human Resources to find alternative positions.
  3. Supervisors who have vacancies will be expected to cooperate with Human Resources and agree to transfers of qualified employees referred by Human Resources, provided the candidate is the most qualified for the position.
  4. Failure to accept placement in a position for which the employee is qualified and which provides at least 80% of the former annual salary will be considered a voluntary resignation on the part of the employee and will end layoff status.
- H. Recall:
1. Position Vacancies: If a department re-opens a position within one calendar year from the date a staff member was laid off from that position, the staff member can automatically be recalled to that position vacancy unless he or she is employed elsewhere in a position in the same classification.

2. When a recall occurs, a PAF 610/710 should be submitted to PERC indicating return-to-work date.
- I. If a staff member becomes employed in a comparable position outside the University during the 12 months following the effective date of the layoff, the University will process termination and the layoff rights/benefits will be discontinued.
  - J. Benefits during Layoff:
    1. Temporary Layoff: Staff on Temporary Layoff will be eligible for the benefits outlined below regardless of the length of their University service if eligibility requirements are met and service time is not affected.
    2. Indefinite Layoff: Staff members with less than two years of service are not eligible for continued coverage in any benefit plans during layoff, except the protection available to terminating staff. However, any staff member on indefinite layoff will not lose service time if recalled to work or an alternative placement is obtained within one year of the effective date of layoff.

**For those with two or more years of service:**

Medical Plans: Medical plan coverage will be continued unless the staff member signs a form canceling this coverage. Staff members who choose to continue this coverage during layoff period will be billed and will need to pay their normal share of the premiums.

Dental Plan: the Dental Plan Assistance coverage will be continued unless the staff member signs a form canceling this coverage.

Group Life Insurance: University paid Basic Life Insurance through Aetna will be continued. The Group University Life (GUL) with Securian will also be continued unless the staff member signs a form canceling this portion of the coverage. Staff members who choose to continue their Group Universal Life (GUL) Plan during layoff will be billed and will need to pay their normal premiums.

Vacation: Vacation time does not accrue during layoff. When a staff member is placed on an indefinite layoff, payment of accumulated vacation consistent with UR policy is made. Upon return to work in a benefit eligible position, vacation accrual will begin again.

Paid Time Off (PTO), if applicable: PTO is not earned during layoff. When a staff member is placed on indefinite layoff, payment of the

PTO bank is made. Upon return to work in a benefit eligible position the staff member will become eligible for PTO consistent with the guidelines in Policy #340, Paid Time Off (PTO).

Sick Leave: Sick leave does not accrue during layoff. A staff member who becomes disabled within four weeks of the effective date of the layoff may qualify for statutory sick pay benefits during the period of disability.

Upon return to work in a benefit eligible position, sick "days" (if applicable) will be pro-rated for non-exempt staff based on the length of the layoff.

Long-Term Total Disability: During a temporary layoff, Long-Term Disability Insurance in effect prior to layoff is continued, unless the staff member signs a form canceling Long-Term Disability Insurance. Full-time employees who choose to continue Full Long-Term Disability Insurance and part-time employees, who choose to, continue either Limited or Full Long-Term Disability Insurance, will be billed and will need to pay for their normal share of premiums.

During an Indefinite layoff, Long-Term Disability Insurance is suspended. Upon return to work in a benefit eligible position, Long-Term Disability will be reinstated.

Retirement Program: University direct contributions to the Retirement Program are suspended during a layoff. Staff may make voluntary contributions toward their TIAA-CREF Regular Retirement Annuities (RRAs); however, those contributions may not be tax deferred. Any voluntary contributions made by an individual to TIAA-CREF Supplemental Retirement Annuities (SRAs) and Vanguard, T. Rowe Price and Fidelity mutual funds would be suspended during a layoff since contributions to these portions of the University Retirement Program can only be made through salary deduction.

Upon return to work to a benefit eligible position, University contributions to the retirement program will be resumed.

Tuition: Tuition benefits for a staff member who has met service requirements prior to layoff can be claimed during layoff as though the individual were actively at work. For completion of service requirements for tuition benefits, time on Indefinite Layoff does not count. Time on Temporary Layoff not later changed to Indefinite Layoff does count toward service requirements for those on regular full- or part-time status immediately prior to layoff.

Travel-Accident Insurance: During a layoff, Travel-Accident Insurance is suspended. Upon return to work, Travel-Accident Insurance will be reinstated.

Eligible staff on Temporary or Indefinite Layoff will not lose service time if they return to work in a benefit eligible status within one year of layoff and without having terminated the employment relationship.

### III. Procedure:

- A. Notification: Departments must send written notification to Human Resources of all anticipated layoffs and keep Human Resources informed of all status changes that occur during a layoff (e.g. changes from temporary to indefinite layoff status or recall to work).

Staff members should be given as much advance notice as possible regarding a layoff situation. In no case should an hourly-paid staff member be given less than a two-week notice, (e.g. the layoff, once announced, should at minimum be effective two weeks hence) or a salaried (PAS) staff member be given less than one month's notice. In some instances, pay in lieu of notice may be appropriate. In these cases, discussion must be coordinated with Human Resources prior to determination of an effective date.

- B. Layoff of New Hires with Less Than Six Months of Service, TAR, and Temporary Staff:  
Departments shall submit a 610/710 form terminating employment effective on the last day worked by the staff member. The reason for termination should be shown as "involuntary" and noted as "staff reduction." The form should be submitted to the HR Service Center.
- C. Temporary Layoff: Departments should submit a Personnel Action Form (PAF) 610/710 placing the staff member on temporary layoff. Upon recall, a PAF 610/710 should be submitted to the HR Service Center indicating return-to-work date. Duration of the temporary layoff is to be noted by specific dates.
- D. Indefinite Layoff:
1. Departments should submit a PAF 610/710 to PERC placing the staff member on "indefinite layoff" which should be explicitly noted under "Remarks" on the form. Accrued vacation due to staff member should be indicated in the "Remarks" section on the PAF. [The effective date of layoff should be the last day worked].
  2. One calendar year after the last day of work, the staff member's status will be changed to terminated if the individual has not been recalled or returned to work.
- E. Unemployment Insurance: Staff on layoff is generally eligible for unemployment insurance upon discontinuation of University pay as provided by State Law. Such pay covers pre-designated pay periods under unemployment insurance regulations.

See also Policy: #133 Recruitment and Selection