



Authority <b>Office of State Personnel</b>
Title <b>Reduction in Force (RIF) Policy</b>
Responsible Office <b>Division of Human Resources</b>
Subject <b>Employment</b>
Applies to <b>SPA Employees</b>

**History:** First issued: May 17, 2002. Last revised: March 30, 2009

**Additional References:** North Carolina General Statute Chapter 126-7.1, Office of State Personnel Reduction in Force Policy, Sample Layoff Letters

**Related Policies:** Severance Pay Policy, Health Insurance Policy, Priority Reemployment Policy, Discontinued Service Policy

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### **Purpose**

A layoff or reduction-in-force is an action to reduce the number, type, or level of positions in one or more work units that may result in the termination of employment for one or more employees. A layoff may become necessary due to reduced funding, reorganization, changed workload, or to the cancellation, amendment or completion of a grant or contract.

Department management is responsible for determining which positions shall be abolished or modified and which employees shall be laid off or reassigned, subject to the advance approval of the Assistant Vice Chancellor of Human Resources. Because permanent employees must receive 30 days advance written notice of being laid off, department management is expected to contact the Division of Human Resources at least six weeks prior to the anticipated separation.

This policy also contains provisions for providing layoff options to employees for positions slated for a reduction in FTE or reassignment downward.

### **Coverage**

Employees in all SPA permanent appointments are subject to separation due to abolishment of their position(s). This policy does not apply to EPA employees.

### **Definitions**

A "**Reduction in Force**" is the separation of a permanent SPA employee from a position because of a shortage of funds or work, position abolishment, or material change in duties or organization.

The **"Same or Related Class"** is defined as groups of positions which are similar in title, qualifications, duties and responsibilities and among which a reasonable skill transfer may exist.

### **Alternatives to Layoff**

The University expects that department management will lay off employees only after examining all alternatives, including but not limited to:

- The management of vacant positions
  - Re-deployment of current permanent Staff
  - The abolishment of vacant positions
  - The implementation of a hiring freeze
- Optional early retirements
- Job sharing arrangements
- Limiting purchases of items/services and business travel and expenditures
- Work schedule alternatives

The Assistant Vice Chancellor for Human Resources, in conjunction with the EEO/AA Officer, will facilitate this review of alternatives by preparing a listing of vacant positions and a listing of employees from the affected group who are eligible for early or regular retirement.

In the event that economic or operational factors require the NC A&T State University to eliminate jobs, the University is committed to attempting to retain staff with established acceptable performance records and qualifications. An acceptable performance record is defined as an employee with a current overall performance rating of Good or better with no active Disciplinary Actions.

Where possible, the University will first try to redeploy staff into comparable positions in which they meet the minimum requirements. A comparable position is defined by the State as a position with the same salary grade equivalency, working the same hours per week, and earning the same rate of pay as the position held prior to the layoff. Next, training options will be considered to provide an affected staff member with skills sufficient for placement in a position of comparable level and pay.

Division of Human Resources staff will be responsible for managing the re-deployment process, including matching comparable vacant positions to the skills and competencies of staff identified for re-deployment. This process will be managed for the duration of the notification period to ensure successful placement prior to the date of layoff. Upon successful re-deployment, the employee will receive a confirmation of re-deployment notice, informing them of their new position title, department name, supervisor name and contact information, start date and salary.

Finally, if redeployment is not possible or if the employee declines the position to which they are being re-deployed, the Layoff process will be implemented.

### **Identifying Positions to Abolish and Employees to Lay-off**

A layoff decision requires a thorough evaluation of the need for specific positions and the relative qualifications of affected employees so that the University can provide



the highest level of service possible with a smaller work force. A layoff necessarily compels a thorough evaluation of the accomplishments of specific programs, the need for particular positions, and the relative value of specific employees.

The University has established the following systematic process for identifying positions to abolish and employees to be laid-off. Justification for action from department management must adhere to these criteria. Questions regarding these criteria should be addressed to the Division of Human Resources.

Management should make every effort to achieve budgetary reduction goals through the elimination of temporary appointments prior to eliminating permanent positions.

#### **Determination of Work Unit**

The area of review used in making the layoff selection depends on the organization. Normally, the unit level at which this review should occur is the department level. However, management may choose to broaden the scope of the work unit across several departments or constrict the scope of the work unit to a subunit of a department as deemed appropriate or necessary.

The source of funds for a position is not necessarily a relevant factor in determining the appropriate position(s) to abolish or employee(s) to be laid off. The appointment type, relevant skills, relative performance, and length of state service of all the employees in the work unit(s) under consideration may be considered without regard to funding source.

#### **Position Classification:**

When identifying positions to abolish, management must define:

1. The continuing work to be performed by the work unit(s),
2. The position classifications necessary to perform the continuing work, and
3. The number of positions in each position classification needed to perform the continuing work, with comparisons made among positions with the same or closely-related career banded title and competency level. "Closely-related" means that there exists a reasonable skills transfer among the career banded titles and competency levels.

The number of positions in excess of the continuing need in each classification defines the number of positions to be targeted for abolishment.

Once the number of excess positions in each position classification has been identified, the criteria for determining which employees are to be laid off must be applied in the order listed below:

1. The appointment type of each employee in the affected classification(s),
2. The relative efficiency of employees in the affected classification(s),
3. The length of total state service of employees in the affected classification(s), and
4. The actual or potential impact of the layoff decision on the diversity of the work force.

**Type of Appointment:**

Once the relevant position classifications for the layoff have been determined, department management shall decide which employee(s) in those classifications shall be laid off based first on type of appointment, using the following priority criteria:

1. Abolish vacant positions in targeted classification(s) – this may result in the separation of temporary employees filling these vacant salary lines,
2. Separation of probationary employees in targeted classification(s),
3. Separation of trainees who have not completed their trainee progression in targeted classification(s),
4. Separation of employees with time-limited appointments in targeted classification(s), then
5. Separation of employees with permanent appointments in targeted classification(s).

Temporary employees need only be considered if they are being paid currently through recurring salary-line funds (ie, the vacant salary line is being abolished). However, elimination of non-salary line temporary staffing should be explored to achieve fiscal savings before pursuing the abolishment of permanent appointments.

Part-time SPA permanent employees may be retained over full-time SPA permanent employees if the part-time employee is otherwise better qualified and is willing to work at the hours per week necessary for the continuing work. Employees who would be required to take a lower FTE (full-time equivalency) to continue employment must be offered the option of being laid off (see "Reduction in Hours for the Position" later in this policy).

**Relative Efficiency:**

If, after applying the above criteria to appointment type, additional positions within a classification must be abolished, or if management must choose among more than one employee in a single criteria group listed above, then the department management must consider the relative efficiency of these employees. Relative efficiency includes a combination of the relevant skills and relative performance of the remaining employees.

Employees to be retained must have the skills relevant to the continuing work of the work unit or be able to attain those skills within a reasonable period of time, generally within three months. Determination of relevant skills must include a comparative consideration of the employees' most recent Employee Competency Assessment.

Employees' relative performance also shall be considered, including:

- the existence of any active disciplinary action (may be performance-based or conduct-based);
- the overall and principal function ratings on the employees' last annual performance review (or interim review if any employees have not had annual reviews);



- documented performance or conduct difficulties communicated to the employee but not rising to the level of disciplinary action;
- any other documented indicator of performance.

Layoff decisions that contradict documented performance and/or conduct may be denied by the Division of Human Resources.

**Length of Service:**

If, after applying relative efficiency, management must choose between more than one employee with comparable skills and performance, then the employee(s) with the least Total State Service must be laid off. Eligible veterans must be accorded one year of state service for each year (or fraction thereof) of military service, up to a maximum of five years of credit, in computing total service.

**Work Force Diversity:**

Once a layoff determination has been made, department management may consult with the Division of Human Resources to assess any potential adverse impact of the decision on the University's work force diversity.

**Requesting Layoff Approval & Notifying Affected Employees**

The department head (or his/her designee) must submit a written request for approval of each proposed layoff to the Division of Human Resources. The request must be approved by the Assistant Vice Chancellor of Human Resources before any layoff action can be taken.

Because State policy requires that affected permanent employees must receive written notice of layoff at least 30 calendar days prior to the effective separation date, department management is expected to submit the layoff approval request to the Division of Human Resources at least six weeks prior to the anticipated separation date of any employee to be laid off. Failure to do so shall not reduce the employee's required 30-day minimum notification period.

Departments may submit the "SPA Layoff Selection Analysis Worksheet" for review of layoff approval or may submit a written request that contains the following:

- the reason(s) for the layoff,
- anticipated date(s) of separation,
- name(s) of the employee(s) to be laid off and justification for the decision,
- a list of all vacant positions in targeted classifications,
- status of recruitment activity for vacant positions in targeted classifications,
- efforts department has made to avoid the layoff of the selected employee(s),
- a management contact.

After receiving approval from the Assistant Vice Chancellor for Human Resources, the department must provide the following information, in writing, to the employee(s) being laid off at least 30 calendar days before their layoff separation date:

- the reason for the layoff;
- the effective date of the layoff;

- instructions to contact the Division of Human Resources for information on: leave payout; benefits options, including unemployment insurance eligibility; priority re-employment eligibility; severance pay eligibility; and
- the employee's applicable appeal rights under the University's SPA Grievance and Mediation Policy.

### **Reduction in Hours for a Position**

In the event that a department needs to impose a reduction in hours for a permanent SPA employee, the department must offer the employee the option of accepting the reduction in hours or being laid off.

A reduction in hours must include a corresponding reduction in pay and a possible reduction in benefits. (For example, if the reduction in hours would take an employee below 75% FTE, the employee will lose participation and contribution to the Retirement System, employer-contribution to the employee's State Health Plan premiums, reduction in vacation/sick leave earnings, etc.)

The department must provide the employee with a reasonable amount of time to consider the decision to accept a reduction in hours or to be laid off. Departments may wish to consult with the Benefits Department in the Division of Human Resources about the impact of the change in FTE on the employee's benefits and leave.

If the employee agrees to a reduction in hours, the department must draft a letter outlining the changes to be made. This shall include:

- the new FTE,
- the new salary rate,
- the effective date of the FTE change,
- the new leave earnings rate,
- the effect this reduction will have on the employee's benefits,
- contact information for the Benefits Department in the Division of Human Resources for information regarding benefits and leave changes,
- a signature line for the employee.

A copy of the signed letter must be forwarded to the Division of Human Resources.

The employee must sign the letter in order for the action to take place. If the employee will not sign the reduction-in-hours letter or does not agree to the reduction-in-hours option, then the department must proceed with the layoff process.

The department will then process a change in FTE through the normal reduction-in-hours process. The employee does not need to receive a 30-day advance written notice to make this change because the employee has already agreed to the change.

### **Voluntary Reassignment Downward**

In the event that a department needs to reclassify a position to a branch/role with a lower journey market rate or a lower salary grade equivalency, the department must offer the employee the option of accepting the voluntary reassignment downward or being laid off. A permanent reassignment downward generally includes a reduction in pay. The department should consult with the Division of Human Resources



regarding the proposed change and inform the employee if the change will result in an FLSA exemption status change. The department must provide the employee with a reasonable amount of time to consider the decision to accept a reassignment downward or to be laid off.

If the employee agrees to the reassignment downward, the department must draft a letter outlining the changes to be made. This shall include:

- the new branch/role/competency,
- the new salary rate (if applicable),
- the effective date of the reclassification,
- the effect of the reclassification on the employee's FLSA exemption status,
- contact information for the Division of Human Resources for information regarding this action,
- a signature line for the employee.

A copy of the signed letter must be forwarded to the Division of Human Resources.

The employee must sign the letter in order for the action to take place. If the employee will not sign the voluntary reassignment downward letter or does not agree to the reassignment option, then the department must proceed with the layoff process.

The department will then initiate the position reclassification process. The employee does not need to receive a 30-day advance written notice to make this change because the employee has already agreed to the change.

#### **Abolishment of Position**

Once the layoff plan has been approved and once any laid off employees have separated or been reassigned, department management must complete the layoff process by abolishing the approved positions or by submitting revised classification actions as approved by the Division of Human Resources in the layoff plan.

#### **Questions**

If you are a department manager and have questions about the layoff decision-making process, contact the Division of Human Resources.

If you are a layoff candidate and have questions about your layoff benefits, contact the Benefits Department in the Division of Human Resources.

Approved:

  
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Linda R. McAbee, Vice Chancellor for Human Resources

Date: 3/30/09  
  
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Stanley F. Battle, Chancellor

Date: 3/30/09