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## I. COPING WITH job loss

The emotional, social, and financial ramifications are many for an individual whose position has been eliminated due to the economic downturn and an organization's need to reduce their workforce. A reduction-in-force can be devastating to the individual who has suffered a job loss and can have a significant impact on family members as well. This section describes the emotional and psychological impact an individual may experience after job loss. Information is provided to offer guidance and constructive recommendations on ways to cope with the emotional turmoil of job loss as well as tips for successful survival through this difficult time. It is the intent of this offering to help in some small way.

## II. DEALING WITH THE STRESS of job loss

Dealing with the stress of job loss may be one of the most stressful events that you may ever encounter. Stress can be positive in that it motivates us to action and facilitates organization. It becomes a negative force whenever it is ignored, minimized, or denied. The following are some physical and emotional signs that you may experience as a result of job loss.

Physical Signs	Emotional Signs
<ul style="list-style-type: none"><li>• fatigue</li><li>• tension headaches</li><li>• upset stomach</li><li>• sleep disturbances</li><li>• backaches</li><li>• change in appetite</li><li>• muscle tension</li></ul>	<ul style="list-style-type: none"><li>• irritability</li><li>• anxiety</li><li>• helpless feelings</li><li>• isolation from family and friends</li><li>• poor concentration</li><li>• forgetfulness</li><li>• sadness, feelings of loss and isolated</li></ul>

These are normal reactions to traumatic incidents such as job loss. Normally these reactions will grow less intense and disappear within a short period of time. Stress is normal and can be either acute or chronic. Acute stress is typically related to a single event that startles you and may cause you to briefly experience some of the above symptoms. Experiencing job loss is definitely an example of acute stress. Chronic stress is caused by unrelieved acute stress or unrelieved stressors acting upon a person over a period of time.

Therefore, if you experience any of the above signs and they do not subside within a reasonable amount of time, you are encouraged to seek professional help. While you may not be able to immediately resolve your situation, there are some things that you can do to help yourself maintain more positive physical and emotional health. Give yourself time. Allow yourself appropriate time to adjust to the new realities.

- Expect change. Change can be growth. Rigidity kills. Develop the ability to be flexible and adaptable.
- Seek support from others. You cannot do everything alone. You will need moral and emotional support for your family and loved ones.
- Get organized. Clutter and disorganization rob you of energy, overwhelms your emotions, and creates stress.
- Live in the PRESENT. All too often people carry around the guilt and anger of their yesterdays and add to the fear of their tomorrows. Guilt, anger, and fear only serve to rob you of energy and create stress.
- You are responsible for your thoughts, feelings, attitudes, and behaviors. Many times we can be victims of our own negatives thoughts. Never ask what you did to deserve this! Seek to find what you can do to improve your situation.
- Look outside yourself and help others. People often become so preoccupied with their issues that they fail to recognize that there are other people who have struggles and challenges. Help someone else and receive an emotional blessing.
- Use positive language and names for tasks. Call problems - challenges and deadlines - finish lines to promote a sense of optimism in your life.
- Treat yourself right! Exercise, eat a balanced diet, and get plenty of rest. People who feel good physically and mentally are better able to handle change.
- REMEMBER, although change can be unsettling, it can also be a steppingstone to personal growth. Don ' t wait for opportunity to knock – open the door yourself.
- Respect your limitations. You cannot change others or circumstances, only yourself.

Prepared by the NC Office of State Personnel.

Materials utilized from the National Employee Assistance Services, Inc. and the EAPA Exchange

### III. RECOMMENDATIONS FOR SURVIVING job loss

#### TAKE TIME TO ACCEPT and adjust to your situation

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Experience has shown that individuals who have lost their job are usually in a state of crisis and, as in other crisis situations; time is needed to grieve the loss and readjust. Expect that it will take some time to accept and adjust to your situation. Grief takes time. Acceptance of the situation comes through grieving your loss so that you can make positive life changes.

#### FOCUS ON STRENGTHS AND ABILITIES rather than shortcomings or disabilities

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Too often, people who are faced with job loss tend to think in negative terms about their own experience and talents. Individuals tend to underestimate their own abilities. Take the time to focus on your strengths and achievements. Set new goals for yourself. Believe in yourself. Be a survivor rather than a victim.

#### SEEK OUT THE SUPPORT and compassion of a good listener

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Avoid people who are negative and critical in their attitudes and focus on blaming others. These people may be easy to find but should be avoided. Try not to take the layoff personally. Blaming others is a waste of your valuable time. Instead, you are encouraged to find people that can help you work at positive resolutions. You may consider talking to someone who has successfully survived a layoff or talk to your EAP Consultant or other professionals who will be empathic but will encourage you to be positive and optimistic.

#### ASK FOR SUPPORT from your family and friends

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Acknowledge your fears, disappointments and other feelings. You may not feel like talking about your feelings about your job loss but this is the time to talk. If you have children, talk to them about what has happened and share with them your plans. Ask for their involvement and input regarding changes that may need to be made within the family during this transition. This could be an opportunity for you and your family to draw closer together. Get your support network active, even though that may be the last thing you feel like doing. Talk to friends and allow them to be a support to you.

#### MAKE A BROAD PERSONAL INVENTORY of your skills and their related application

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Many people have training and experience in a variety of endeavors. Take an inventory of your strengths and skills. You may decide to go into a different line of work. Believe in yourself and your positive attitude will help you to achieve new goals that you set for yourself.

#### MAKE A PLAN OF ACTION and follow it step by step

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You need to structure your day to include steps for assessing your situation and going about the business of locating new employment. Your plan might include contacting a numbers of employers per day, writing letters, making phone calls, getting rest and exercise or whatever combination of efforts seems suitable for your situation. The most important thing is that you make constructive use of your time. Your job is now to find a job.

#### USE YOUR "OTHER TIME" positively and constructively

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After you have completed your eight hours of job searching for the day, it is important to keep up your usual recreational activities and leisure pursuits. If you cannot afford to do so, seek other activities you can afford. Maintaining regular activities is very important for you and for your family. Take care of yourself with proper diet, exercise and rest. Keep busy constructively.

Prepared by the NC Office of State Personnel

Materials utilized from the National Employee Assistance Services, Inc. and the EAPA Exchange

### IV. REDUCTION-IN-FORCE guide to benefits

One of the first concerns you will have when you have been notified of reduction in force will be your benefits. There are many benefits associated with a reduction in force. The information listed below should answer many of your questions. If you have specific questions regarding issues not addressed below, make sure you discuss these issues with your agency Health Benefits Representative.

#### INDIVIDUAL/HEALTH Insurance

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One of the first concerns you will have when you have been notified of reduction in force will be your benefits. There are many benefits associated with a reduction in force. You should arrange to discuss the variety of benefits for which you may be eligible with someone in your HR office. The information listed below should answer many of your questions. If you have specific questions regarding issues not addressed below, make sure you discuss these issues with your agency Health Benefits Representative.

<http://statehealthplan.state.nc.us/>

If you have 12 months of service and are a participating member at the time of separation because of reduction in force, the State of North Carolina will pay for your individual health insurance coverage for up to twelve months following your separation. After this, you may continue coverage on a contributory basis for as long as you desire. If you have dependent coverage, it also may be continued on a contributory basis.

Employees who elect not to continue coverage under reduction-in-force priority directly after separation may not obtain coverage at a later date. Eligibility for coverage under RIF priority ends when employees are re-employed by the State and are eligible for coverage on a non-contributory basis. If employees do not have 12 months of consecutive service, health coverage may be continued for employee and eligible dependents under the State Health Plan's COBRA provisions. Information regarding continuation rights under COBRA will be mailed to the RIFed employee's home address directly from the State Health Plan once the employer-provided health coverage ends.

The American Recovery and Reinvestment Act (ARRA) provided a COBRA premium reduction for eligible individuals who were involuntarily terminated from employment through the end of May 2010. Due to the statutory sunset, the COBRA premium reduction under ARRA is not available for individuals who experience involuntary terminations after May 31, 2010. However, individuals who qualified on or before May 31, 2010 may continue to pay reduced premiums for up to 15 months, as long as they are not eligible for another group health plan or Medicare.

For additional information regarding COBRA, see your Health Benefits Representative or access <http://www.dol.gov/ebsa/faqs/faq-cobra-premiumreduction.html>.

## LEAVE

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<http://www.osp.state.nc.us/manuals/sections5and6.htm>

### ANNUAL Leave

If you are separated as a result of reduction-in-force, you will be paid for the vacation leave you have accumulated up to a maximum of 240 hours. You will receive your check on the earliest payroll possible following your separation. For specific information on when you will receive your payment for accumulated vacation leave, see your Health Benefits Representative.

### BONUS Leave

Bonus leave balance will be paid in addition to regular annual leave if you leave state government as a result of reduction-in-force. You will receive your check on the earliest payroll possible following your separation. For specific information on when you will receive your payment for accumulated bonus leave, see your Health Benefits Representative.

### SICK Leave

You cannot be paid for accumulated sick leave if you are separated. However, if you return to state employment within five years from your separation date, it will be reinstated. If you transfer to another agency or department, your sick leave transfers with you.

## LONGEVITY

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[http://www.osp.state.nc.us/manuals/4\\_Salary%20Administration/longevit.htm](http://www.osp.state.nc.us/manuals/4_Salary%20Administration/longevit.htm)

If you are eligible to receive longevity pay and are separated from state government, you will receive a prorated amount on the earliest payroll possible following the date of your separation. If you are transferred to another agency or department, you will receive longevity on your regularly scheduled eligibility date.

## PAYROLL Deductions

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If you are enrolled in any group life, accident, disability income, or cancer coverage insurance plans paid through payroll deduction, you will need to contact the company that provides the service.

## NCFLEX

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[http://www.osp.state.nc.us/manuals/6\\_Employee%20Benefits%20and%20Awards/Flexible%20Benefits.htm#NCFlex](http://www.osp.state.nc.us/manuals/6_Employee%20Benefits%20and%20Awards/Flexible%20Benefits.htm#NCFlex)

The American Recovery and Reinvestment Act (ARRA) provided a COBRA premium reduction for eligible individuals who were involuntarily terminated from employment through the end of May 2010. Due to the statutory sunset, the COBRA premium reduction under ARRA is not available for individuals who experience involuntary terminations after May 31, 2010. However, individuals who

qualified on or before May 31, 2010 may continue to pay reduced premiums for up to 15 months, as long as they are not eligible for another group health plan or Medicare.

For additional information regarding COBRA, see your Health Benefits Representative or access <http://www.dol.gov/ebsa/faqs/faq-cobra-premiumreduction.html>.

## RETIREMENT

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<http://www.oshr.nc.gov/Guide/CompWebSite/retirement.htm>

### SERVICE RETIREMENT (Unreduced Benefits)

You may retire with unreduced service retirement benefits after:

- you reach age 65 and complete five years of creditable service, or
- you reach age 60 and complete 25 years of creditable service, or
- you complete 30 years of creditable service, at any age.

### EARLY RETIREMENT (Reduced Benefits)

You may retire early with a reduced benefit after:

- you reach age 50 and complete 20 years of creditable service, or
- you reach age 60 and complete five years of creditable service.

Your early retirement benefit is determined by the same formula as a service retirement. However, because benefits may be paid over a longer period of time, they will be reduced. The amount of reduction depends on your age at retirement.

### SUPPLEMENTAL Retirement

NC 401(k) and NC Deferred Compensation (457) Supplemental Retirement Plans

[http://www.oshr.nc.gov/Guide/Policies/6\\_Employee%20Benefits%20and%20Awards/Other%20Benefits.pdf](http://www.oshr.nc.gov/Guide/Policies/6_Employee%20Benefits%20and%20Awards/Other%20Benefits.pdf)

## NC 401(K) AND NC DEFERRED COMPENSATION (457) supplemental retirement plans

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<http://www.oshr.nc.gov/Support/RIF/EERif/rifguidenew.htm#retire>

### DISCONTINUED service retirement

<https://www.nctreasurer.com/ret/Discontinued%20Service%20Retirement/DSRStatuteStateEmp.pdf>

Contingent on approval by the State Budget Officer and the Director of the Office of State Personnel, state employees who are 55 years of age and have 20 years of creditable service, and who are separated due to a RIF, may be eligible for full retirement without a reduction in benefits as an alternative to severance pay. This is referred to as "discontinued service retirement". You may also be eligible for reduced retirement benefits if you are 50 years of age and have 20 years of creditable service. Approval of this option depends primarily on the financial ability of the State of North Carolina to fund discontinued service retirement. You may receive either a discontinued service retirement or severance salary continuation. You cannot receive both.

### DEFERRED retirement

<http://www.oshr.nc.gov/Support/RIF/EERif/rifguidenew.htm#defer>

You may still receive a retirement benefit, even if you leave early or before service retirement. You are entitled to a benefit at a later date if you leave for any reason at any age after you have completed five years of creditable service, provided you do not withdraw your contributions.

Your benefit is determined by the formula in effect at the effective date of your retirement. It is based on your average final compensation and years of creditable service. You can apply for deferred payments to begin when you reach age 60.

If you have at least 20 years of creditable service when you leave, you can apply for early payments beginning at age 50. However, your benefit is reduced because you may receive payments for a longer period of time.

If you leave the State of North Carolina before you have five years of creditable service in the retirement system, the only payment you will receive is a refund of your contributions.

## REFUND of retirement contributions

<http://www.oshr.nc.gov/Support/RIF/EERif/rifguidenew.htm#refund>

If you have five years of member service, you have the option of leaving your contributions in the retirement system and maintaining all of the creditable service you have as of the date of separation. Please note that if you elect to leave your contributions in the retirement system, and you have made contributions for at least five years, you are entitled to retirement benefits at a later date.

If you leave state employment, you also have the option to receive a refund of your contributions to the retirement system. It is important to note that if you have your contributions refunded and are re-employed by the State at a later date, you have to contribute five years to the retirement system before you are eligible to buy back your prior state service. Buying back prior state service can be expensive. If you have at least five years as a contributing member, interest will be added to your refund. Your refund application will be forwarded to the retirement system once your Health Benefits Representative has processed your final pay information for time worked and accumulated vacation leave. State law does not permit the retirement system to make refunds earlier than 60 days after your application is received. Your HR office can provide you with a refund application.

If you transfer to an agency under the Local Government Employees' Retirement System, you can transfer your contributions and creditable service as long as you are an eligible member of the system to which you are transferring and have not received a refund of your contributions from the Teachers' and State Employees' Retirement System. Your HR office can provide you with a transfer application. If you transfer to another state agency, your retirement number will remain the same, and you have no option of withdrawal.

## ORBIT

<https://orbit.myncretirement.com/orbit/Common/Pages/BPASLogin.aspx>

This is the link to your Online Retirement Benefits through Integrated Technology website with the N.C. Teachers' and State Employees' Retirement System.

## SEVERANCE salary continuation

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<http://www.oshr.nc.gov/Support/RIF/hrpros/codeseverance.htm>

Contingent on approval by the Office of State Budget and Management, you may be eligible for severance salary continuation if you are separated and there is a savings to the economies of the state and there is no foreseeable opportunity for reemployment. **Should you be eligible for retirement and apply for retirement before separation, you would not be entitled to severance pay.**

## UNEMPLOYMENT benefits

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**Employment Security Commission** - <http://www.ncesc1.com/individual/default.asp>

Employees separated due to reduction in force may collect unemployment benefits provided they meet the normal eligibility requirements. Contact the local office of the Employment Security Commission for more information.

## VI. JOB SEEKING information

### Links to resources

North Carolina A&T State University	<a href="https://jobs.ncat.edu">https://jobs.ncat.edu</a>
Career Fairs	<a href="http://www.osp.state.nc.us/Support/RIF/EERif/List of Career Fairs.pdf">http://www.osp.state.nc.us/Support/RIF/EERif/List of Career Fairs.pdf</a>
Career Choices in North Carolina	<a href="http://www.ncesc1.com/Imi/publications/Career_Choices.pdf">http://www.ncesc1.com/Imi/publications/Career_Choices.pdf</a>
CareerOneStop – US Department of	<a href="http://www.careeronestop.org/ReEmployment/Default.aspx">http://www.careeronestop.org/ReEmployment/Default.aspx</a>
Dislocated Worker Toolkit	<a href="http://ncrapidresponse.com/DWT/Default.aspx">http://ncrapidresponse.com/DWT/Default.aspx</a>
North Carolina JobLink Career	<a href="http://www.nccommerce.com/workforce/job-seekers/joblink-career-centers">http://www.nccommerce.com/workforce/job-seekers/joblink-career-centers</a>
North Carolina JobsNow Portal	<a href="https://www.ncesc1.com/individual/jobSearch/jobSearchmain.asp">https://www.ncesc1.com/individual/jobSearch/jobSearchmain.asp</a>
Recruitment Contacts for State	<a href="http://www.osp.state.nc.us/Support/RIF/EERif/recruit.htm">http://www.osp.state.nc.us/Support/RIF/EERif/recruit.htm</a>
Resume and Cover Letter Center	<a href="http://jobsearch.about.com/od/resumes/a/resumecenter.htm">http://jobsearch.about.com/od/resumes/a/resumecenter.htm</a>
Salary Negotiation Tips	<a href="http://www.careeronestop.org/JobSearch/AfterAnOffer/SalaryNegotiation.aspx">http://www.careeronestop.org/JobSearch/AfterAnOffer/SalaryNegotiation.aspx</a>
Self-Employment Resources	<a href="http://ncrapidresponse.com/DWT/SelfEmployment.aspx">http://ncrapidresponse.com/DWT/SelfEmployment.aspx</a>
State Government Jobs	<a href="http://www.osp.state.nc.us/jobs/">http://www.osp.state.nc.us/jobs/</a>
State Government Temporary	<a href="http://www.osp.state.nc.us/Support/RIF/EERif/temps.htm">http://www.osp.state.nc.us/Support/RIF/EERif/temps.htm</a>
Vacancy Websites	<a href="http://www.osp.state.nc.us/Support/RIF/EERif/othervac.htm">http://www.osp.state.nc.us/Support/RIF/EERif/othervac.htm</a>
Career Fairs	<a href="http://www.osp.state.nc.us/Support/RIF/EERif/List of Career Fairs.pdf">http://www.osp.state.nc.us/Support/RIF/EERif/List of Career Fairs.pdf</a>
Career Choices in North Carolina	<a href="http://www.ncesc1.com/Imi/publications/Career_Choices.pdf">http://www.ncesc1.com/Imi/publications/Career_Choices.pdf</a>
CareerOneStop – US Department of	<a href="http://www.careeronestop.org/ReEmployment/Default.aspx">http://www.careeronestop.org/ReEmployment/Default.aspx</a>
Dislocated Worker Toolkit	<a href="http://ncrapidresponse.com/DWT/Default.aspx">http://ncrapidresponse.com/DWT/Default.aspx</a>

## VII. PRIORITY REEMPLOYMENT policy for employees separated on or after 7/1/11

Employees with career status who have received official written notification of imminent separation due to reduction-in-force are eligible for priority consideration under the provisions outlined below.

An employee who is separated from a time-limited appointment is not eligible for priority unless the appointment extends beyond three years.

### RELATIONSHIP to other priorities

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The priority for employees separated by reduction-in-force ( RIF) and the priority for employees with less than 10 years of service subject to the State Personnel Act separated from exempt policy-making or exempt managerial positions are equal. RIF priority shall not apply when the only applicants considered for the vacancy are current State employees.

### APPEALS

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A career state employee with priority status who has reason to believe priority consideration was denied in a selection decision may appeal directly to the State Personnel Commission through the established contested hearing process of the Office of Administrative Hearings.

### NOTIFICATION Requirements

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It is the employing agency's responsibility to notify the employee in writing of impending separation as soon as possible and in any case not less than 30 calendar days prior to the effective date of separation. The official notification shall include the employee's eligibility to receive priority consideration and appeal rights.

**Advisory Note:** It is recommended that the official notification letter also include the following information:

- the expected date of separation
- reasons for the reduction in force
- benefits

\*vacation pay, sick leave, pro-rated longevity (if applicable), severance salary continuation or discontinued service retirement, insurance options (if applicable), and other benefits.

### PERIOD of Priority

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An employee shall receive priority consideration for a period of twelve months from the date of the official written notification.

**Advisory Note:** Once an employee has been officially notified of separation by reduction in force, the employee's twelve-month period\* of priority begins. This twelve-month period cannot be extended under any circumstances. Agencies may, however, if funds are identified to continue employment for the employee, delay the separation date beyond the date originally stated in order to continue employment as long as funds are available.

### DETERMINING priority

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Within all State agencies, an employee officially notified of reduction in force shall receive priority consideration over all applicants who are not State employees but shall receive equal consideration with applicants who are current State employees not affected by a reduction-in-force. This does not include priority to any exempt policy-making or exempt managerial positions.

The nature of the priority to be provided is as follows:

A RIF state employee with more than 10 years of service shall receive priority consideration over a RIF state employee with less than 10 years of service in the same or related position classification.

**Grade to Band Or Band to Grade -** For RIF applicants applying for positions in a different classification system than their classification at the time of official written notification (i.e., from graded to career banded or vice versa), a salary grade equivalent will

be assigned for each competency level within a career banded classification. Applicants shall have priority for positions at the same salary grade or below.

**Advisory Note:** The salary grade equivalent is not used when determining the RIF priority for a RIF applicant who was in a banded class at the time of notification and is applying for a position in a banded class.

**Band to Band -** RIF applicants shall have priority for positions in the same banded classification at the same competency level or lower as that held at the time of notification, or for positions in a different banded classification with the same or lower journey market rate as that held at the time of notification.

## HOW DOES PRIORITY WORK?

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- RIF applicants will compete with all candidates in applicant pool based on merit
  - There are no requirements to interview RIF candidates if they only meet minimum qualifications for the opportunity
  - RIF candidates must reach Most Qualified pool based on qualifications
  - If RIF candidate and any other candidate have substantially equal qualifications, the RIF candidate shall get the position (tie-breaker situation)

## PRIORITY for retiring employees

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An employee who, after receiving official written notice of impending reduction-in-force, retires or applies for retirement prior to the separation date waives the right to priority consideration and severance salary continuation.

## WHEN DOES an additional priority apply?

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An employee officially notified in writing of imminent separation through reduction-in-force while actively possessing priority consideration shall retain the initial priority for the remainder of the first twelve month priority period. A new priority period shall then be afforded at the salary grade (or salary grade equivalent), salary rate and appointment status of the position held at the most recent notification of separation. The length of this additional priority period shall be equal to the time between the expiration dates of the old and the new priority, assuming that the second twelve month period started on the date of the most recent notification.

## CAN A NEW PROBATIONARY period be required?

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An employee, who has a break in service (more than 31 calendar days), with reduction-in-force priority status may be required to serve a new probationary period if:

- the essential duties and responsibilities of the position into which the employee is being reemployed are significantly different from those of the position held at the time of reduction in force notification; or
- in the judgment of the employing agency, a new probationary period is justified.

The employee shall be notified in writing of the decision to require a new probationary period.

A decision by an agency to require a new probationary period will not nullify the employee's right to another future period of priority status should that employee receive notification of separation through reduction-in-force while serving in probationary status.

## TERMINATION of RIF Priority Consideration

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- RIF priority is lost when an employee:
  - After being officially notified of RIF but prior to separating, is offered a permanent SPA position, within 35 miles of the original work station and the offer is declined; or
  - The 12 month priority period expires

## PRIORITY consideration continues

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An employee may accept the following employment and retain priority consideration throughout the twelve-months priority period:

- employment outside State government,
- a State position not subject to the State Personnel Act, or
- a temporary position, or
- a contractual arrangement.

**Advisory Note:** Any employee separated from State government and paid severance wages shall not be employed under a contractual arrangement by any State agency, other than the constituent institutions of the UNC System and the constituent institutions of the N. C. Community College System, until 12 months have elapsed since the separation.

## AFTER priority expires

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If an appointment has not been received within the priority period, a person previously eligible for priority will be considered under regular applicant procedures.

## VIII. REDUCTION-IN-FORCE frequently asked questions

The order of the questions does not suggest order of importance.

### **1. I was just notified that my position is being eliminated in 30 days due to reduction in force (RIF). Why wasn't I notified sooner?**

The separating agency must provide employees with a minimum of 30 calendar days official written notification. As appropriate, an agency may notify an employee informally in advance of the written notice.

### **2. What are my appeal rights?**

An employee may challenge being separated due to a RIF on the following basis:

- 1) Retaliation for the employee's opposition to alleged discrimination on account of the employee's age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping condition as defined by Chapter 168A of the General Statutes.
- 2) Denial of veteran's preference in accordance with Article 13.

An employee may also appeal being denied priority re-employment consideration in the selection process.

### **3. Am I eligible for unemployment benefits? How do I apply for benefits?**

Yes, you may be eligible for unemployment benefits if you are separated due to reduction in force. Contact your local Employment Security Commission for details on eligibility and how to apply for unemployment benefits.

### **4. What will happen to my health insurance?**

If you have 12 cumulative months of state service and are a participating State Health Plan member at the time of separation due to reduction in force, the State will pay for your individual health insurance coverage for up to 12 months following your separation. After this, you may continue coverage on a contributory basis (pay all premiums including the State's portion) for as long as you desire. If you have dependent coverage, it also may be continued on a contributory basis. While the 2010 technical corrections legislation afforded an additional 12 months priority consideration for RIF, it did not include an additional 12 months of insurance coverage.

### **5. How long will I receive priority consideration?**

According to GS 126-7.1(c1), employees will have 12 months of priority from the date of written notification.

### **6. When does the priority consideration period begin?**

A career state employee shall receive priority consideration for a period of 12 months from the date of the official written notification. However, if an employee obtains career status anytime between the notification date and separation date, they will receive the remainder of their priority reemployment rights credited at the time they obtain career status. For example, if an employee was notified of RIF on May 29 with no career status, and they obtained career status on July 1 and are separated due to RIF on July 10, then they would have priority re-employment rights from July 1, 2009 through

May 28, 2010. If an employee is separated before obtaining career status, then they are not eligible for priority reemployment rights.

**7. Can my priority period be extended if I do not find a job during the period in which I have priority re-employment?**

No.

**8. When will I receive severance pay?**

Pay out for severance pay will begin when all the appropriate actions are completed and approved within the payroll system. If the actions are completed by payroll deadline, severance pay would be received with that payroll cycle.

**9. What happens to my sick leave?**

You cannot be paid for accumulated sick leave. However, your sick leave will be reinstated if you return to state employment within five years from your separation date.

**10. When will I be paid for my vacation leave?**

Depending on when forms are processed by the agency, accrued vacation leave up to 240 hours may be paid when the final check is issued or in the following month.

**11. I have more than 240 hours of vacation leave. Will I be paid for all my vacation leave?**

You will be paid for up to 240 hours of vacation leave if you are separated due to reduction in force. Any excess vacation leave you had at the time of the reduction in force will be reinstated if reemployed in state government within one year.

**12. Will I be paid for my bonus leave?**

Yes, you will be paid for any bonus leave if you are separated due to reduction in force. Payment for your bonus leave is in addition to any vacation leave payout you will receive.

**13. Will I be paid for compensatory time that I have earned?**

If you are an employee that is subject to overtime compensation, you will receive payment for any compensatory time you have earned but not used.

**14. Am I eligible for severance pay? Who makes this determination?**

Employees eligible for severance pay are those who have been reduced in force with one of the following types of appointment (permanent full time, permanent part time working 20 hours or more, and trainees with six months service or more) and have not obtained another permanent job in State government. This also applies to employees in exempt positions who have been separated due to a reduction in force.

The Office of State Budget and Management has the final authority to approve severance payments.

**15. Will my severance pay end if I accept a job in State government that is a lower salary grade than the position I previously held?**

Yes. An employee who is reemployed in any permanent position with the State, or any other permanent position that is funded in part or in whole by the State, while receiving severance pay, will no longer be eligible to receive such payment effective the date of reemployment.

**16. Will my severance pay end if I accept a temporary job with State government?**

No. An employee who is reemployed in a temporary position with the State, while receiving severance salary continuation, may remain eligible to receive severance salary continuation.

**17. How much severance pay will I receive?**

The amount of severance pay is determined by State Personnel Commission policy. It is based on the annual salary and length of state service. Persons over the age of 39 are also eligible for an additional amount of severance based on age.

**18. Will taxes be withheld from my severance pay?**

State tax is not withheld until the amount of severance payments reaches \$35,000. All other applicable taxes will be withheld as usual.

**19. I have been in a time limited position for 28 months. Am I eligible for priority consideration and severance pay?**

No. Persons in time-limited position are not eligible for RIF priority consideration nor severance pay.

**20. I am in a banded position, but my competency level does not match the position competency level. Which competency level (and associated salary grade reference) is used to apply priority?**

The employee receives priority based on the employee's competency level and associated salary grade reference.

**21. Can I defer my severance pay to my supplemental savings plans (401K and 457)?**

Severance pay is not eligible to be deferred. The IRS 415 compensation rules states that post-severance payments such as severance pay are not considered 415 compensation under this rule and therefore cannot be deferred to supplemental savings plans.

**22. If an employee is separated, does the employee have to wait until the end of the following month to receive their severance pay?**

Severance pay will begin when all of the appropriate actions are completed and approved within the payroll system. Typically, severance pay begins with the next pay period following employee separation.

**23. If an employee is separated due to RIF (and is eligible and has been approved to receive severance) and a few weeks later secures a permanent state position, does the employee forfeit the entire month of severance pay or is the severance pay pro-rated?**

Severance pay would be pro-rated for the period of time from when the separation occurred to when the employee was hired back into a state position.

**24. If an employee is receiving short-term disability payments and is then separated due to RIF, is the employee eligible to receive severance pay and/or short-term disability payments?**

We have consulted with staff at the Retirement Division with the Department of the State Treasurer and they have determined that short-term disability payments must be offset by any severance pay the disabled employee would be eligible to receive.

**25. What if I have an outstanding loan from my 401(k) or 457 account?**

Based on current IRS laws, RIFed employees have 90 days from separation from state service to repay any outstanding 401(k) or 457 loan amount. If the loan amount is not repaid in full within those 90 days, that money will be reported to the IRS as income and the RIFed employees may be subject to a 10% penalty on the 401(k) loan; 457 loan will not be penalized. If you have questions regarding your account, call **1-866-NCPlans (1-866-627-5267)**.

**Information in sections I – XIII of this guide was provided by the Office of State Personnel. This and more, with active hyperlinks can be found at:**

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## IX. NORTH CAROLINA A&T STATE UNIVERSITY REDUCTION-IN-FORCE policy

NC A&T State University  
Human Resources

Reduction in Force (RIF)  
Section VIII, Page 1 of 7  
Revision: March 30, 2009



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

**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.

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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

#### **Separation**

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.

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**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);

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- 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;

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- 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

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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:

  
Linda R. McAbee, Vice Chancellor for Human Resources

Date: 3/30/09

  
Stanley F. Battle, Chancellor

Date: 3/30/09

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