UNC CHARLOTTE PERSONNEL INFORMATION MEMORANDUM

PIM 19

EMPLOYMENT - Reduction in Force Guidelines

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Category: Administration
Contact: Associate Vice Chancellor for Human Resources – ext. 7-4269.

1. Purpose

The reduction in force (RIF) procedure for staff employees provides equitable treatment for any separation action resulting from circumstances when a RIF becomes necessary due to shortage of funds or work, abolishment of a position, or other material change in duties or organization. A RIF is an action taken to downsize a University unit or department workforce. RIF actions should be taken only after other available alternatives, such as a hiring freeze for vacant positions, limits on purchasing and travel, job sharing, reduced work week, and other flexible scheduling options, have been considered and found to be insufficient. At that point, the University may terminate the employment of permanent staff employees subject to the State Personnel Act.

2. Covered Employees

This policy applies to full and part time employees subject to the State Personnel Act (SPA) who hold permanent appointments, employees with trainee appointments who have completed six months of service, and employees who attained permanent status prior to entering a trainee appointment. Temporary employees or employees with time-limited permanent appointments may be separated without following the RIF procedures.

As a matter of course, no employee or supervisor has authority to make any binding oral promises, representations, commitments or assurances regarding employment status or security.

3. Procedure

3.1. Justification for a reduction in force. A RIF may be implemented under the following circumstances: reorganization of positions within a unit which materially changes the nature of one or more positions; abolishment of a filled position; material change in duties assigned to a position to the extent that the incumbent does not qualify for the revised responsibilities or that the resulting reclassification is such that the incumbent is not reasonably considered a candidate for the new position; shortage of work; cancellation or termination of a grant or contract; or, shortage of funds. A reduction in force may not be used to separate an employee for unsatisfactory performance, unacceptable conduct, or other issues that should be addressed through the disciplinary process. Prior to requesting that a specific position be eliminated or an employee be separated, a comparative analysis, performed in accordance with 3.4, below, must be completed.

3.2. Identifying Boundaries. The boundaries for conducting a comparative analysis on what positions are being considered for a RIF will be at the lowest department, office, or unit as specified in the most recent university organizational chart as is reasonably possible as determined by the university in its sole discretion. The Associate Vice Chancellor of Human Resources will make the initial determination of the appropriate department, office or unit level. A vice chancellor may, in his or her discretion, specify a broader boundary of comparison by providing written notification to the AVC for Human Resources.
3.3. **Identifying Positions For Separation Due to Reduction In Force.** To determine which position(s) are subject to a RIF, a thorough evaluation of the relative value and need for particular positions must occur in order to assure the university can provide the highest level of service possible with a reduced workforce. Such an evaluation must include:

3.3.1. determination of the number of positions which must be abolished to meet the established goal;

3.3.2. the feasibility of eliminating entire programs or parts of programs;

3.3.3. identification of areas where the number of positions must be reduced or eliminated; and

3.3.4. identification of the classification (banded classification and competency level) of positions to be eliminated and a determination of whether sufficiently similar vacant positions within the university exist to utilize employees who would otherwise be separated.

3.4. **Comparative Analysis to Identify Employees for Separation due to Reduction In Force.** After specific positions are identified, comparisons between employees with the same or related career band classifications and competencies are made. The Human Resources Department is available to assist in the completion of such comparative analysis. Assistance may be obtained by contacting the Director of Compensation and Position Management. Attached is a worksheet for doing the comparative analysis. The following criteria must be used:

3.4.1. **Type of appointment.** Temporary employees in the same or related career band classifications and competencies within the defined boundary must be terminated before any employee with a probationary or permanent appointment, provided that a probationary or permanent employee can effectively perform the temporary employee's responsibilities and job tasks. Employees with probationary appointments as well as trainees and apprentices with less than six months of service must be terminated before any employee in the same or related career band classification and competencies with a permanent appointment within the defined boundary, provided that the employee with a permanent appointment can effectively perform the responsibilities and job tasks of the probationary employee, trainee or apprentice.

3.4.2. **Relative efficiency and performance.** Reduction in force often results in fewer employees to perform the same work tasks. The relative skills, knowledge, and productivity of employees should be considered and personnel files and performance management evaluations should be reviewed and compared. Those whose evaluations consistently show above "Good" will be given preference over those whose performance is "Good", "Below Good", "Unsatisfactory" or those with active disciplinary action(s).

3.4.3. **Length of service.** Total length of service with state government will be considered in determining which employees are to be separated and may become a differentiating factor in the separation decision, particularly in instances where other retention criteria are substantially equivalent. In determining the length of service, an eligible veteran shall be accorded one year of state service for each year or fraction thereof of military service, up to a maximum of five (5) years credit.

3.4.4. **Diversity.** An analysis of the actual or potential adverse impact on the
diversity of the work force.

3.5. **Documentation and Review.** After conducting the comparative analysis and identifying the person(s) whose employment may be terminated, the head of the relevant unit, office or department records the steps taken to reach the decision, receives concurrence of the comparative analysis from his or her respective vice chancellor, and forwards a confidential copy of the documentation (including the comparative analysis worksheet) to the AVC of Human Resources (RIF Recommendation Transmittal to Human Resources). The AVC of Human Resources then conducts an "adverse impact" analysis to determine consequences of the decision on the University's Affirmative Action goals. If there will be a negative impact, the AVC of Human Resources discusses with the department head possible approaches that will compensate for the action to be taken while assuring future progress towards goals.

3.6. The AVC of Human Resources reviews the entire process used to reach the selection of the person(s) to be separated to determine whether the process complies with this PIM 19. If the AVC of Human Resources determines that this PIM 19 was not followed, the AVC of Human Resources will explain what must be done to correct the process by a confidential form to the department head.

4. **Notice to Affected Employees.**

In order to assure compliance with this policy, written intent of a separation due to a RIF, and the results of the comparative analysis, should be submitted to the AVC of Human Resources at least ten (10) working days prior to the desired notice to the affected employee(s). Affected employees will be notified by the AVC of Human Resources as soon as possible after approval of the decision by the AVC of Human Resources, and must be given a minimum termination notice of thirty (30) calendar days with full pay. Affected employees are not to be notified of the intended separation prior to coordination with, and approval by, the AVC of Human Resources. Separated employees will be notified in writing by the AVC of Human Resources only.

4.1. **Meeting with Employee.** Unless the affected employee declines to participate in the meeting, the AVC of Human Resources and the appropriate office, unit or department head must conduct an individual meeting with the employee to explain the decision process. During this meeting, related issues, including priority reemployment consideration, severance salary continuation, retirement options, and other rights of the employee will be covered.

4.2. **Termination Letter.** At the conclusion of the meeting, or by mail to the last known mailing address of any employee refusing to participate in the meeting, the AVC of Human Resources will provide a letter to the employee(s) being terminated. This letter will contain the following information:

4.2.1. the reason for the reduction in force;

4.2.2. the effective date of the reduction in force (at least 30 calendar days following the notification date);

4.2.3. direction to contact the Benefits Manager to obtain necessary information on retirement system membership and benefit options including continuation of medical insurance (COBRA), Unemployment Insurance benefits eligibility and Severance Salary Continuation;

4.2.4. direction to contact the Director of Staff Employment for information on the following:

a. The University's policy on priority reemployment;
b. Completion of necessary priority reemployment application forms; and

c. The availability of aid in seeking other employment.

4.2.5. Direction to contact the Director of Employee Relations, Training and Compliance for information on the right of permanent employees to appeal the reduction in force action through the Staff Grievance Procedure (on the bases as set forth in Section 10 of this PIM).

4.3. Employees who decline reemployment assistance from the Office of State Personnel will be asked to sign a statement indicating the employee is not interested in receiving reemployment assistance. A copy of this statement will be forwarded to the Office of State Personnel.

5. Priority Reemployment Consideration

Permanent career state employees separated under reduction in force are eligible to receive priority reemployment consideration for a period of twelve months from the date of notification. Within the University, the employee will be offered any available vacant position 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 reference rate as that held at the time of notification, provided the employee meets the qualifications for the position and can perform the job in a reasonable length of time, including normal orientation and training given to any new employee. Note, however that other current career state employees are also eligible for priority reemployment and current state employees who are more qualified may be hired in lieu of an employee subject to reduction in force.

5.1. It is the intent of the University Human Resources Department to place any affected employee in a similar vacant position, as described above, prior to the effective date of their separation, to the extent possible, in order for the employee to continue his or her employment with the university. Employees who decline interviews or offers of employment for positions at the same or higher classification within 35 miles of the original work station are no longer eligible for priority reemployment consideration.

5.2. Affected employees should submit a current application/résumé within 30 (thirty) days of notification in order to be considered for priority reemployment. An employee who does not submit such documentation forfeits his or her right to priority reemployment consideration. The "Policy on Priority Consideration" is administered by the Human Resources Department (Director of Staff Employment). Further information on Priority Reemployment Consideration is located at http://www.osp.state.nc.us/manuals/manual99/RIF_Priority.doc.

6. Severance Salary Continuation

A permanent, full-time or part-time (20 hours per week and over) employee who does not obtain another permanent job as a state employee by the effective date of the reduction in force may be eligible for severance salary continuation provided reemployment is not available. Severance pay does not apply to employees who are probationary; who are separated at the end of time-limited appointments; whose reduction in force is temporary; or who are separated due to retirement. Years of service, age, reemployment, retirement, and funding as directed by the Office of State Budget and Management affect severance. Severance salary continuation is administered by the University Benefits Department in Human Resources and employees subject to RIF should contact the Benefits Director for information regarding eligibility and other details.

7. Leave Balances
7.1. **Vacation Leave.** Employees will be paid a lump sum for the balance of their vacation leave at the time of separation not to exceed 240 hours. If an employee has over 240 hours of vacation leave at the effected date of separation due to RIF, the excess leave will be reinstated if the employee is reemployed by the state within one year.

7.2. **Sick Leave.** An employee’s sick leave balance at the time of separation due to RIF will be reinstated if the employee returns to state employment within five years.

8. **Discontinued Service Retirement**

RIF employees with: (a) 25 or more years of creditable retirement service, and who are age 55 or older (no reduction in benefits); or (b) who have 20 or more years of creditable retirement service, and who are age 50 or older (benefits reduced by ¼ of 1 percent for each month under age 55), might be eligible for discontinued service retirement. Employees should contact the Benefits Director in the Human Resources Department to obtain more information about their specific retirement eligibility.

9. **Health Insurance**

Employees with at least one year of state service who are participating in the State Health Plan at the time of separation due to RIF will continue to receive the university’s contribution for their individual health insurance coverage for one year from the date of separation or until reemployed in another permanent state position, whichever is sooner. Dependent coverage is not included but may be purchased by the employee.
10. Appeal Rights

A permanent state employee who is separated due to reduction in force may appeal such action if:

10.1. It is alleged that the decision is because of illegal discrimination, or in 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, sexual orientation, or disability. Such an appeal may be made either through the University’s grievance procedure or may be filed directly with the Office of Administrative Hearings, at the choice of the employee, except that allegations of discrimination on account of sexual orientation may be appealed only through the University’s grievance procedure.

10.2. Denial of veteran’s preference granted in accordance with Article 13, G.S. 126 is alleged in initial State employment or in connection with a reduction in force, for an eligible veteran as defined by G.S. 126-81.

Forms

(1) Recommendation Transmittal to Human Resources
(2) Comparative Analysis Worksheet

References


[1] The general test for whether another classification is “related” is whether a reasonable competency transfer exists for the incumbents. Lower level competencies within the same banded class would be considered a “related” classification.