

Subject: **Layoff and Recall**

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

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

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

II. Guidelines:

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

Severance Pay Entitlement:

Less than one year = no severance

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

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

E. Criteria for Determining Staff to be Laid Off:

1. All decisions will be made on the basis of University needs, the requirements of work involved, and without regard to age, color, disability, ethnicity, gender identity or expression, genetic information, marital status, military/veteran status, national origin, race, religion/creed, sex, sexual orientation or any other status protected by law.
2. In no instance should a layoff process be utilized simply as a means of resolving unsatisfactory performance. (Note: This does not mean that performance cannot be considered in the layoff process. See #4 below.)
3. Management will first determine those functions or job classifications to be affected by the reduction in force within a particular administrative unit, department or work group.
4. When a reduction in staff is necessary within a job classification or function within an administrative unit, department, or work group, new hires with less than six months of University service, temporary and TAR staff within that job classification shall be removed first and their employment terminated. All temporary (Strong Staffing or agency) assignments will end.
5. Staff members in the administrative unit, department, or work group affected will be laid off after an evaluation of ability, performance and a review of related documentation, and seniority.

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

Performance will be determined through examination of performance evaluations and any performance-related documentation of record since the last performance evaluation.

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

Points will be assigned to each of the three areas, and weighted so that ability is multiplied by a factor of 5, performance by a factor of 3 and seniority by a factor of 2. The University may modify any part of these

procedures where necessary to meet business needs or to retain an employee with abilities deemed to be critical or necessary to the organization.

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

H. Recall:

1. Position Vacancies: If a department re-opens a position within one calendar year from the date a staff member was laid off from that position, the staff member can automatically be recalled to that position vacancy unless he or she is employed elsewhere in a position in the same classification.
2. When a recall occurs, a PAF 610/710 should be submitted to PERC indicating return-to-work date.

I. If a staff member becomes employed in a comparable position outside the University during the 12 months following the effective date of the layoff, the University will process termination and the layoff rights/benefits will be discontinued.

J. Benefits during Layoff:

1. Temporary Layoff: Staff on Temporary Layoff will be eligible for the benefits outlined below regardless of the length of their University service if eligibility requirements are met and service time is not affected.
2. Indefinite Layoff: Staff members with less than two years of service are not eligible for continued coverage in any benefit plans during layoff, except the protection available to terminating staff. However, any staff member on indefinite layoff will not lose service time if recalled to work or an alternative placement is obtained within one year of the effective date of layoff.

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

Health Care Plans: Health Care plan coverage will be continued unless the staff member signs a form canceling this coverage. Staff members who choose to continue this coverage during the layoff period will be billed and will need to pay their share of the premium. (Staff must continue to pay their share of the premium to continue coverage through the University. If the University does not receive payment for the coverage, the coverage will be terminated on the last day of the month for which the premium has been paid in full and notification of the coverage cancellation will be sent to the staff member's home address from the University.)

Dental Plans: Dental plan coverage will be continued unless the staff member signs a form canceling this coverage. Staff members who choose to continue this coverage during the layoff will be billed and will need to pay their share of the premium. (Staff must continue to pay their share of the premium to continue coverage through the University. If the University does not receive payment for the coverage, the coverage will be terminated on the last day of the month for which the premium has been paid in full and notification of the coverage cancellation will be sent to the staff member's home address from the University.)

Health Care Flexible Spending Accounts (FSAs): FSA participation stops as of the effective date of the layoff. Staff who return to work in a benefits- eligible position

and wish to elect an FSA, must enroll within 30 days of their return. Staff with FSA accounts must elect COBRA continuation coverage, and remit after-tax contributions, to submit eligible expenses incurred during layoff. Otherwise, staff will have 90 days from the layoff date to submit eligible expenses incurred prior to the FSA cancellation date.

Dependent Care Flexible Spending Accounts (FSAs): FSA participation stops as of the effective date of the layoff. Staff who return to work in a benefit eligible position and wish to elect an FSA, must enroll within 30 days of their return. Staff will have until the end of the plan year to submit eligible expenses incurred during the plan year. (The amount available for reimbursement is limited to the amount credited to their Dependent Care FSA, less any prior reimbursements.)

Health Savings Accounts (HSAs) \*\*: HSA contributions via payroll deduction stop as of the effective date of layoff. If you return to work in a benefit eligible position and you wish to elect HSA contributions, you must enroll at that time. (Staff may contact their third-party administrator (TPA) for details: Aetna/PayFlex 1-888-678-8242 or Excellus/HSA Bank 1-800-357-6246.)

*\*\*Staff who are enrolled in an HSA-eligible plan and satisfy certain other requirements can make contributions to an HSA. Staff enrolled in an HSA-eligible plan and eligible to contribute to an HSA, may contribute directly to their HSA, outside of payroll deductions, at any time, as long as they do not exceed the annual maximum.*

Group Life Insurance: University-Paid Basic Term Life insurance and University-Paid Basic Accidental Death & Dismemberment (AD&D) coverage through Securian Life will be continued. Any Group Universal Life (GUL), Group Optional Term Life (GOTL), Optional Accidental Death & Dismemberment (AD&D), and/or Optional Dependent Group Term Life insurance coverage that a staff member has elected also may be continued unless the staff member signs a form canceling this coverage. Staff members who do not cancel their optional coverage during layoff will be billed by Securian Life and will need to pay Securian Life for the coverage to continue during layoff.

MetLife Auto & Home: Auto & Home insurance will be continued. Staff members who do not cancel their Auto & Home insurance coverage will be billed directly by MetLife.

University Home Ownership Incentive Program: Staff remain eligible for the University Home Ownership Incentive Program during layoff.

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

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

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

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

Upon return to work in a benefit eligible position, sick "days" (if applicable) will be pro-rated for staff in nonexempt job classifications based on the length of the layoff. This does not apply to Professional, Administrative and Supervisor (PAS) staff paid hourly.

Long-Term Disability: During a temporary layoff, Long-Term Disability insurance in effect prior to layoff is continued, unless the staff member signs a form canceling the coverage. Full-time employees who choose to continue Full Long-Term Disability insurance and part-time employees who choose to continue either Limited or Full Long-Term Disability insurance, will be billed and will need to pay their share of the premium. (Staff must continue to pay their share of the premium to continue coverage through the University. If the University does not receive payment for the coverage, the coverage will be terminated on the last day of the month for which the premium has been paid in full and notification of the coverage cancellation will be sent to the staff member's home address from the University.)

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

Retirement Program: The University's Direct Contribution to the Retirement Program is suspended during Layoff. Any Voluntary Contributions made by a staff member would be suspended during layoff since contributions to these portions of the University Retirement Program are made through salary deductions.

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

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

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

Detailed information on the benefit plans is available on the Benefits website ([www.rochester.edu/benefits](http://www.rochester.edu/benefits)). A paper copy of this information also is available for free from the Benefits Office.

III. Procedure:

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

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

- B. Layoff of New Hires with Less Than Six Months of Service, TAR, and Temporary Staff:

Departments shall submit a 610/710 form terminating employment effective on the last day worked by the staff member. The reason for termination should be shown as "involuntary" and noted as "staff reduction." The form should be submitted to the HR Service Center.

- C. Temporary Layoff: Departments should submit a Personnel Action Form (PAF) 610/710 placing the staff member on temporary layoff. Upon recall, a PAF 610/710 should be submitted to the HR Service Center indicating return-to-work date. Duration of the temporary layoff is to be noted by specific dates.

- D. Indefinite Layoff:

1. Departments should submit a PAF 610/710 to HR Service Center placing the staff member on "indefinite layoff" which should be explicitly noted under "Remarks" on the form. Accrued vacation due to staff member should be indicated in the "Remarks" section on the PAF. [The effective date of layoff should be the last day worked].
2. One calendar year after the last day of work, the staff member's status will be changed to terminated if the individual has not been recalled or returned to work.

- E. Unemployment Insurance: Staff on layoff is generally eligible for unemployment insurance upon discontinuation of University pay as provided by State Law. Such pay covers pre-designated pay periods under unemployment insurance regulations.

See also Policy: #133 Recruitment and Selection