

# ***Policies and Procedures***

<i>SECTION:</i> <b>Administration</b>	<i>NO.</i> <b>2.2.10.</b>		
<i>CHAPTER:</i> <b>Human Resources</b>	<i>ISSUED:</i> 3/30/94	<i>REV. A</i> 4/13/96	<i>REV. B</i> 7/24/08
<i>POLICY:</i> <b>Reduction in Force</b>	<i>PAGE 1 OF 4</i>		

## **PURPOSE**

It is the policy of Creighton University to provide fair and uniform treatment for employees whose jobs are eliminated. This document outlines the steps to be followed in making a reduction in force (RIF) decision and a plan. It also provides employment assistance information for employees affected by a RIF.

When the business needs of a department dictate organizational review and change, the Director of Human Resources or designee must be consulted early in the planning process. The Director of Human Resources or designee shall inform the affected department of all applicable expenses that will be related to this action. The affected department will be responsible for paying such costs. All necessary actions shall be taken to ensure that decisions are made based upon careful analysis and that employees are treated fairly and offered opportunities for assistance and re-employment when possible.

## **SCOPE**

This policy applies to all benefit-eligible employees; but, specifically excluded from eligibility under this policy are:

- Employees who are in their first 90 days of employment
- Changes in work schedule or hours
- Temporary and student employees
- Housestaff/Resident employees
- Grant-funded positions and employees who occupy positions funded (full or partial) by extramural dollars (e.g. grants, drug studies, etc.) who are hired with the understanding that all or part of the position could end when the particular funds are exhausted.
- Faculty (not eligible for the provisions of this policy as they are governed by other contractual provisions contained in the Faculty Handbook and policy 4.2.4 - Termination Rights of Non-Tenure-Track Faculty in Grant-Funded Positions).

## **POLICY**

Any employee affected by a RIF will receive verbal and written notification from his/her supervisor or department head a minimum of 30 calendar days prior to the elimination of his/her position. The department has the option to offer pay in lieu of notice or have the employee work the 30 days.

At the time of written notification and prior to severance payment, the employee will be presented an Acceptance of Severance Agreement and Release. The obligations under the agreement shall be explained at the time it is presented and include explanation of timeframes. If the employee chooses not to sign the Acceptance of Severance Agreement and Release, he/she forgoes any severance pay and benefits (except those required to be paid under federal law) stated in the policy, but the RIF action will occur nonetheless.

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Severance pay is calculated based on benefit-eligible service as follows:

- **Employed in a benefit-eligible status for 24 months or less:** Severance pay is equal to two week's pay based on the employee's base pay rate (excluding differential rate, on-call, bonus, etc.) as of the date of separation.
- **Employed in a benefit-eligible status for more than 24 months:** Severance pay is equal to one week's pay for each full year of service to the University up to a maximum of 12 weeks of severance. The amount of severance pay will be based on the employee's base pay rate (excluding differential rate, on-call, bonus, etc.) as of the date of separation.
- Any unused holiday hours earned prior to the date of separation will be paid.
- Tuition remission benefits currently being used by the employee, spouse or eligible dependent child (ren) will continue until the end of the current academic semester in which the date of separation occurs.
- No additional vacation, sick leave, holidays or retirement plan contribution(s) (to include the University's matching contribution), will accrue beyond the date of separation and will not be included in the calculation of severance pay.
- Participation in health and/or dental insurance coverage(s) will end on the last day of the month in which the date of separation occurs.
  - An employee participating in health and/or dental insurance on the date of separation will be offered the opportunity to continue coverage under Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).
  - If the employee exercises this option, the University will continue to cost share the premiums for the first three months. At the end of the initial three-month period, the employee may continue medical and/or dental coverage for an additional 15 months, if he/she pays the total monthly premium. Employee's other benefits will end according to the terms of the University provided benefit plans.

An employee who is affected by a RIF action may utilize outplacement services coordinated and determined through Human Resources and as outlined in the Severance Agreement. The applicable department is responsible for the costs associated with outplacement services.

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An employee whose position is scheduled for elimination and begins benefit-eligible employment in another position within the University within the 30 calendar day notification period shall not be eligible for the benefits of this policy. An employee who is affected by a RIF action is required to follow the normal application procedures to apply for open positions at Creighton University.

## **PROCEDURE**

When a RIF is being considered, the department manager(s) shall contact the Director of Human Resources or designee for a discussion of the proposed action. Should a RIF be necessary the department will work with the Human Resources department to articulate the justification for the RIF action and the criteria for determining which employee(s) will be affected by the RIF action. A RIF may be implemented:

- (i) when a position is eliminated;
- (ii) when a department reorganizes or discontinues some of its functions; or
- (iii) when a position's essential functions and/or core responsibilities change significantly and permanently, as determined by the Director of Human Resources or designee.

The following criteria will be utilized when determining the specific employee(s) to be affected by the proposed RIF action. These criteria need not be considered in the order listed, but all of these factors should be taken into account:

- Knowledge, skills, education/training and abilities to perform the essential functions of the job
- Performance: Based on performance evaluation ratings and disciplinary action/performance improvement plans
- Years of service

Department Manager &/or Human Resources shall forward the completed justification packet to the applicable Vice President for review and action. The packet is returned to Human Resources. If a RIF affects 3 or more people, Human Resources, in conjunction with the Vice President, shall present the packet to the President to make the final decision.

An employee affected by the RIF will receive a private, confidential, verbal and written notification from the immediate supervisor or department head and a Human Resources representative a minimum of 30 calendar days prior to the elimination of the position. The written notification is not to be sent or delivered to the employee without a prior verbal conversation to include the employee, the supervisor and a Human Resources representative. The written notice will include, but is not limited to:

- a. The reason for the action
- b. The date of the separation
- c. A copy of this policy
- d. Reference letter indicating employee displaced due to RIF

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Following verbal and written notification the Human Resources department will continue to work with the employee to resolve issues and answer questions surrounding the RIF action. The option of seeking other employment within the University shall also be presented to the employee.

### **AMENDMENTS OR TERMINATION OF THIS POLICY**

This policy does not constitute a contract between Creighton University and its employees. The University may modify, amend, or revoke this policy at any time for any reason. Any modifications, amendments, or revocation shall be prospective in nature only and shall not affect employees already notified of the reduction in force.

The University may vary its actions from the procedures specified herein if the actions would place the University in non-compliance with federal, state or local laws.

### **ADMINISTRATION, INTERPRETATIONS, AND EXCEPTIONS**

Human Resources will coordinate and monitor all reduction in force activities under this policy. The Senior Vice President for Operations, who has direct supervisory authority over the Human Resources Department, shall have ultimate responsibility for implementation of the Reduction in Force Policy.