Layoff and Rehire B080

Revised 5/1/12

PURPOSE

The provide guidelines for the involuntary separation of employment through the layoff process.

DEFINITIONS

Layoff  
A separation of employment from the University due to decreased need for certain services, reorganizations, loss or lack of funds, lack of work, elimination, restructuring of positions, or following an extended leave of absence as provided for in the Leases of Absence Policy D050.

Layoff Period  
A maximum period of 13 months from the effective date of layoff.

Loss or lack of funds  
Insufficient funding resulting from: the expiration, reduction or loss of grants; budget reductions; etc.

POLICY

INITIATION OF LAYOFF

In the event of any impending layoff involving employees, the appropriate Vice President/Dean and appropriate Human Resources/Faculty Affairs office is to be consulted. Layoff for any employee must have the prior approval from the appropriate Human Resources/Faculty Affairs office. Employees in their probationary period are not eligible for layoff status or pay in lieu of notice, with the exception of employees that are on probation due to transfer or promotion.

Employees placed in layoff status and whose positions are funded by a sponsored account/program will receive paid notice in accordance with the provisions of sponsored program. The appropriate Human Resources/Faculty Affairs office will approve notice requirements for positions governed by a sponsored account/program.

Employees may be placed on layoff after due consideration of the needs of the University, department, business operations, and requirements of grants. Where past performance and competencies are substantially equal, employees will be placed on layoff in the inverse order of seniority. The appropriate Human Resources/Faculty Affairs office will take reasonable efforts when a layoff becomes necessary to help the affected employee find another position at the University if available and feasible. Ultimately, it is the responsibility of the employee to search for and apply to open positions.
NOTICE REQUIREMENTS

Employees, including those on Leave of Absence, whether funded by sponsored programs or otherwise, should receive written notice of layoff from the Department Head/Dean with a copy to the appropriate Human Resources/Faculty Affairs office prior to the anticipated date of layoff based on the following table:

<table>
<thead>
<tr>
<th>Years of Continuous Service</th>
<th>Minimum Notice Period</th>
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<tbody>
<tr>
<td>6 Months - 5 years</td>
<td>1 calendar month, plus accrued vacation</td>
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<tr>
<td>6-10 years</td>
<td>2 calendar months, plus accrued vacation</td>
</tr>
<tr>
<td>11-15 years</td>
<td>3 calendar months, plus accrued vacation</td>
</tr>
<tr>
<td>16-20 years</td>
<td>4 calendar months, plus accrued vacation</td>
</tr>
<tr>
<td>21-25 years</td>
<td>5 calendar months, plus accrued vacation</td>
</tr>
<tr>
<td>26 years and over</td>
<td>6 calendar months, plus accrued vacation</td>
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</table>

Additional vacation will accrue and is payable at the time of layoff if the employee works during the notice period. No additional vacation will accrue if pay in lieu of notice is issued. Pay in lieu of notice may be provided at the discretion of the Department Head/Dean with the prior approval of the appropriate Human Resources/Faculty Affairs office. Pay in lieu of notice may be paid during regular pay cycles throughout the notice period or if approved in advance by the Department Head/Dean and appropriate Human Resources/Faculty Affairs office, via lump sum. Health insurance benefits end the last day of the month of receipt of the final regular paycheck. The notice provision will not apply if the President defines and announces that a financial exigency exists for the University.

BENEFITS STATUS DURING LAYOFF

Salaries, wages or other benefits are not earned or accrued by employees in layoff status. A Clearance Checklist form is required before the release of the final paycheck.

Insurance benefits may be continued pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA) by payment of premiums by the employees. Further information regarding an employee’s rights to continue insurance coverage is available from Benefits Administration. University employees who are receiving the tuition remission benefit and are placed on layoff will have the benefit continued for a period of 13 months. Undergraduate tuition remission benefits for
dependent children of University employees placed in layoff status will also continue for a period 13
months following the date the employee is placed in layoff status. Tuition remission benefits for
spouses/certified domestic partners and dependent children enrolled in graduate courses of
University employees placed in layoff status continue through the end of the semester or summer
session in progress. For more information refer to the Tuition Remission Policy.

UNIVERSITY JOB OPENINGS DURING LAYOFF

Employees placed in layoff status are encouraged to consult with the appropriate Human
Resources/Faculty Affairs office or Faculty Affairs Office for information on other possible employment
opportunities at the University. The final hiring decision will, however, be made by the hiring
department and will be based on the qualification of all applicants for the position. If an employee
rejects an offer from UM for a position of the same pay, the employee immediately forfeits provisions
provided under this policy and their status will be changed to termination. If an employee placed in
layoff status is rehired into a position of the same pay, the pay in lieu of notice will cease immediately. If
an employee placed in layoff status is rehired into a position in a lower pay, pay in lieu of notice in the
amount of the difference between the former rate and new rate will continue through the notice period
as provided under this policy.

BENEFITS UPON REHIRE

An employee who is rehired within 13 months of layoff will have insurance benefits reinstated without a
waiting period. Previously accrued and unused sick time and floating holidays will be reinstated as
appropriate. A new insurance application must be completed and forwarded to the Benefits Office
within 30 calendar days after returning to work. The waiting period for participation in tuition remission
benefits is waived upon return to work, to the extent that the waiting period was satisfied prior to
layoff. The original hire date of the employee on layoff is reinstated and benefits will be earned and
accrued accordingly, except for determining the minimum notice period should the employee be
subsequently placed on layoff after being rehired. For the purpose of determining this minimum notice
period, the rehire date from layoff status will be used. Unused layoff notice will be added to additional
layoff notice earned from the rehire date. For retirement plan purposes, if an employee is placed on
layoff and is subsequently rehired, the credited service accumulated prior to the layoff shall be
reinstated immediately if the employee did not incur a one year break-in-service. A one year break-in-
service is a plan year during which an employee works less than 501 hours. (Also see the Reemployment
Policy)

If an employee did incur a one year break-in-service, prior credited service shall be reinstated as soon as
the employee reestablishes the eligibility requirements of the plan provided, however, that if the
employee was not vested at the time of layoff, the number of one year breaks-in-service cannot exceed
five years. The University reserves the right to require a rehired employee to submit a qualifying medical
examination, as appropriate. The employee returning after 31 days or more on layoff status will be
required to take the pre-employment tests. The appropriate documentation must be completed by the department and forwarded to the appropriate Human Resources/Faculty Affairs office or Faculty Affairs Office both at the time of layoff and at the time of rehire.

The effective date of the layoff is typically the last day worked. Employees will be paid any unused vacation time as part of their final paycheck.

The department must submit an online layoff in the Human Resources Information System and attach a copy of the layoff document. These documents are to be sent to the appropriate central Human Resources/Faculty Affairs office.

A Clearance Checklist Form must be completed by the supervisor as-soon-as-possible in order for the employee to receive his/her final paycheck.

In addition to completing a Clearance Checklist Form, the supervisor or departmental Human Resources representative must deactivate access to the University-held Electronic Protected Health Information (EPHI) and all other non-centrally managed IT systems, both internal and remote, within 30 days. University EPHI information system privileges include, but are not limited to, workstation and server access, data access, network access, remote access, application access, email accounts, and inclusion on bulk e-mail lists. Consideration should also be given to physical access to areas where EPHI is located.