



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Layoff Overview

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SPA Overview

- Consistent with the requirements of the State Personnel Act and the Office of State Personnel (OSP), the University has adopted a layoff policy that applies only to SPA appointments
 - State regulations and policies state that the University may “separate an employee whenever it is necessary due to shortage of funds or work, abolishment of a position or other material change in duties or organization”
 - University policy is that employees are to be laid off only after examining all available alternatives, including separation of temporary employees, delay in the filling of vacant positions, position re-design and work unit re-organization, and job sharing. Each department facing the layoff of an employee is obligated to make every effort to place that employee, either within or outside the department, prior to the effective date of layoff



SPA Overview

- State requires that the University review specific criteria when determining which positions may be subject to layoff
- State requires that all permanent SPA employees receive at least 30 days advance written notice of layoff
 - Includes notification of appeal rights through the University Dispute Resolution and Staff Grievance Procedure
- Only certain employees are eligible for special layoff benefits (severance pay and re-employment priority consideration)
 - Permanent SPA employees who have completed probationary periods (full- and part-time scheduled to work 20 or more hours per week)
 - SPA employees in trainee appointments who have completed at least six months of their trainee progression



SPA Issues: Layoff Process Overview

- Departmental management analyzes business needs and, if layoffs are deemed necessary, submits their layoff plan to the Office of Human Resources (OHR)
- OHR will review any proposed layoff to ensure it is consistent with State and University policies
- Once the layoff plan is approved by OHR, management will communicate the layoff to the unit and any affected employees
- Employees will be contacted by OHR to review their layoff benefits and answer any benefit questions



SPA Issues: Creating a Layoff Plan

- Define the scope of the budget cut/reduction
- Define the business needs of the unit
 - What functions and services are critical to its mission?
- Identify the positions that support the mission-critical functions and services
 - What type and number of positions are needed in order to continue providing these functions and services?



SPA Issues: Criteria to Consider

- Consistent with the State's policy, the University has identified the following factors in analyzing potential SPA layoff decisions:
 - The position classification(s) affected (branch, role and competency level)
 - The employees to be retained must have the skills relevant to the continuing work of the unit
 - The appointment type of each employee
 - Permanent employees regularly scheduled to work 20 hours or more each week must be retained over other groups



SPA Issues: Criteria to Consider

- The relative performance of employees in affected classification(s)
 - Annual performance evaluations; active disciplinary actions, documented performance or conduct difficulties not rising to the level of disciplinary action
- Length of total state service (which may include time spent in the military as set out in the policy on Veterans' Preference)
- Impact on the University's Affirmative Action goals



SPA Layoff Benefits

- Severance pay
- Health insurance continuation
- Re-employment priority consideration
- Career transition counseling services
- Leave payout and reinstatement



Severance Calculation

- Severance consists of a Total State Service payment based on employee's years of service and base pay at separation

Years of Service	Payment
Less than 1 year	2 weeks base salary
1 but less than 5 years	1 month base salary
5 but less than 10 years	2 months base salary
10 but less than 20 years	3 months base salary
20 or more years	4 months base salary

- Includes an Age Adjustment payment of 2.5% for every year over age 39 (the Age Adjustment payment cannot exceed the Total State Service payment)
- Payments are approved by the Office of State Budget Management



Severance Calculation

- **Example: Employee with \$48,000 base salary, age 45, with 9 years of total state service**
 - Total State Service payment: $\$48,000/12 = \$4,000 \times 2$ months' salary for 9 years of service = \$8,000
 - Age Adjustment payment: $\$48,000 \times 2.5\% \times 6 = \$7,200$
 - Total severance payment: $\$8,000 + \$7,200 = \$15,200$
 - In this case, payment would spread over 2 months (4 biweekly payments): $\$15,200/4 = \$3,800$ per pay period
- **Some employees may be eligible for Discontinued Service Retirement in place of severance**
 - Must be approved by the State Budget Director



Health Insurance Continuation

- Coverage under the State Health Plan may be continued for up to one year following the date of separation, provided the employee had 12 or more months of consecutive state service and was covered under the plan at the time of the job's elimination
- The University will continue to pay the employer contribution towards the cost of healthcare during this one-year period
- Any required employee premiums, including dependent coverage, would continue to be paid by the former employee



Health Insurance Continuation

- Continuation of coverage will terminate if a former employee or their dependents obtain coverage under another group health plan during this one-year period, including acceptance of another permanent State government position
- At the expiration of this one year, former employees will receive notification from the State Health Plan on how to continue their coverage, and that of any dependents by paying the full cost of coverage. There is no time limit as to how long this coverage may be purchased



Re-employment Priority Consideration

- Intended to enable a State employee to return to career service at a salary grade and salary rate equal to that held at the time of layoff notification
- Permanent employees with career status (two years or more State service) who are laid off are eligible to receive re-employment priority consideration and assistance for 12 months from the date they receive written notification of the layoff decision
 - May elect priority re-employment consideration for UNC-Chapel Hill and all State agencies/universities within 30 days of notification
 - Must apply or be referred by the State for a position, then given priority re-employment consideration over all other applicants who are not State employees



Re-employment Priority Consideration

- Priority consideration for positions at same or lower level as that held at the time of notification
 - In the same banded classification at the same competency level or lower
 - In a different banded classification with the same or lower journey market rate
 - In the traditional classification system that have the same or lower salary grade equivalent
- Priority consideration for positions with the same or lower appointment status (full- or part-time)
- Priority consideration for same or lower salary rate



Re-employment Priority Consideration

- If the employee possesses the minimum qualifications for a position and can successfully perform the job in a reasonable length of time, including normal orientation and training given any new employee, a State employer must offer a vacant position to the employee prior to hiring a person *who is not a current State government employee*
- Employees who have a break in service of more than 31 calendar days may be required to serve a new probationary period if the duties of the new position are significantly different from those previously performed. Employees must be notified in writing if a new probationary period is required



Re-employment Priority Consideration

- Employee who accepts a position at the same or lower level is to be paid at same salary rate as that paid at the time of notification, if funds are available
 - If salary rate exceeds maximum of lower salary grade or banded class salary range, then salary rate must be reduced to maximum of new lower salary grade or banded class salary range



Re-employment Priority Consideration

- Re-employment priority consideration ends when the employee:
 - Accepts a position at the same or higher level, salary rate and appointment status that held at time of notification
 - Accepts a position at a lower level or salary rate and is subsequently terminated by disciplinary action
 - Has received 12 months of priority consideration
 - Refuses an interview or offer of employment as defined in Office of State Personnel policy. Severance may be discontinued as well
- If the employee has reason to believe priority consideration was denied, an appeal may be submitted through the University's Staff Dispute Resolution and Grievance Procedure



Career Transition Counseling Services

- The University has contracted with Lee Hecht Harrison to provide a premier level of career transition counseling services to eligible employees affected by layoff:
 - Two-day workshop
 - Four 1-on-1 sessions with career coach
 - Six months' access to Career Resources Network:
 - Research companies
 - Post resume
 - Job postings from employers
 - Communications planning
 - e-learning Career Center with 12 self-paced programs (more than 100 courses)
 - Lifetime access to online career management resources, job bank, resume posting, and annual career review with LHH career coach
- OHR coordinates services for eligible employees



Leave Payout and Reinstatement

- Unused vacation leave not to exceed 240 hours (pro-rated for part-time employees) plus unused bonus leave is paid in a lump sum. Unused vacation leave in excess of 240 hours is forfeited
- Unused vacation hours in excess of the 240 hours will be reinstated if a former employee returns to State employment in an SPA permanent appointment (regularly scheduled for 20 or more hours per week), within one year of their layoff separation date
- Unused accumulated sick leave is not paid out. Sick leave is reinstated if a former employee returns to State employment in an SPA permanent appointment (regularly scheduled to work 20 hours or more per week) within five years of their layoff separation date



EPA Overview

- The University does not have a formal layoff policy for EPA positions
- EPA employment policies provide for:
 - At-will appointments (for EPA non-faculty)
 - Either 30- or 90-day notice required for discontinuation for any reason
 - Term appointments
 - Generally only ended early if (1) applicable funding contingency arises; or (2) dismissal for cause



EPA Overview - Special Issues

- **Special funding contingencies**
 - No notice is required when exercising a funding contingency clause that was included in the letter of appointment (30-day courtesy notice is recommended)
 - NOTE: *this clause requires a loss of funds other than permanent State funds or trust dollars*
- **Financial exigency or program curtailment/elimination**
 - Chancellor must declare after internal consultation and must receive advance concurrence from the President, and approval by BOG



EPA End of Appointment Benefits

- Depending on the circumstances, the following benefits could apply:
 - Health insurance continuation in the event the end of appointment is due to a budget cut and the position is eliminated
 - Career transition counseling services
 - Neither benefit applies to appointments ending due to funding contingency, normal term appointment end, or non-budget related at-will appointment ends



Employee Resources

- **Office of Human Resources – for SPA and EPA Non-Faculty**
 - Employee & Management Relations Specialist
 - Layoff Coordinator
 - Benefits Specialist
- **Academic Personnel – for Faculty**
 - Provost’s Office
- **Additional Online Information**
 - SPA Layoff: <http://hr.unc.edu/Data/SPA/recruitment/layoff>
 - EPA Non-Faculty Employment Policies: <http://hr.unc.edu/epanf/epa-nf-pol/recruitment-selection/epanfpol>
 - Faculty: Refer to the Faculty Tenure Code

