# Letter Template – FTE/Salary Reduction (Employee’s Request)

***(If the reduction is not at the employee’s request, please contact your*** ***Talent Acquisition Partner in Employment & Staffing for RIF review. If approved, the Talent Acquisition Partner will provide the next steps.)***

DATE

TO: EMPLOYEE’S FIRST AND LAST NAME

FROM: REPRESENTATIVE’S FIRST AND LAST NAME, TITLE

COLLEGE/SCHOOL

DEPARTMENT

Dear EMPLOYEE’S FIRST NAME,

This letter is to notify you of the permanent reduction in scheduled hours from X hours to X hours per week in accordance with our recent discussions regarding your requested FTE reduction. Your current salary of $X at X FTE will be prorated to $X at X FTE. The FTE change will be effective MONTH DAY, YEAR.

The following summarizes benefit matters related to full time equivalent (FTE) changes:

**Health Insurance**

The University’s contribution towards health insurance premiums ceases when FTE falls below the .75 FTE level. Below .50 FTE (less than half-time), the employee also loses eligibility to participate in the State Health Plan entirely although an optional 18-month COBRA continuation period is available during which the employee must assume the full cost of coverage.

**State Retirement (TSERS or ORP)**

Below .75 FTE (less than three-quarter time), the employee is no longer eligible to participate in the State or University retirement plans (TSERS and the Optional Retirement Plan) including the associated University contributions. It should also be noted when the employee’s FTE falls below this level, the applicable mandatory employee retirement contribution deductions to these plans also cease. Employees can continue to participate in the University’s optional 403(b), 401(k), and 457 supplemental retirement savings plans but these plans do not feature any University contributions.

**Vacation and Sick Leave Accrual**

Below the 1.0 FTE level (less than full-time), the employee’s annual and sick leave accrual is pro-rated based on the FTE level. Below the .50 FTE level, the employee is not eligible for any leave accrual and any unused leave must be paid out at appointment end. Leave payout should be accomplished by a lump sum payment action in ConnectCarolina following processing of the applicable Job Change action.

**Other Benefit Programs**

Eligibility for various other University benefit programs are reduced or cease at the .75 and .50 FTE levels respectively. The benefits portion of the Human Resources web site may be consulted for specific eligibility information for each individual benefit or a Benefits Consultant can be contacted for assistance.

Please contact your designated Benefits Consultant, FIRST AND LAST NAME, if you have further questions concerning your benefit eligibilities as a result of this change at (XXX) XXX-XXXX or [X@unc.edu](file:///C%3A%5CUsers%5Cacbeck%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CINetCache%5CContent.Outlook%5C7LTMIRHK%5CX%40unc.edu).

Employee Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Signature acknowledges that employee has been notified and understands the above information.*

Supervisor’s Signature:­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_