SPA Reduction in Force Policy
(Revised March 2009; July 1, 2011)

1. **Introduction to the Policy**

   A Reduction in Force (RIF) may occur when there are budget constraints, a shortage of work, changing priorities, or a need to abolish SPA positions. A RIF can also occur when a position changes so significantly that an employee is no longer able to perform the required duties. A RIF decision requires an evaluation of the need for specific SPA positions as they contribute to the department’s mission, goals, and provision of services. Separation of employees through reduction in force should occur only after management has considered other feasible alternatives that might avoid it.

2. **Covered Employees**

   2.1 This policy applies to SPA employees (full-time and part-time) holding permanent appointments, employees and apprentices with trainee appointments who have completed six months of service, and employees who attained permanent status prior to entering a trainee appointment.

   2.2 Within organizational units as defined by the Chancellor

      2.2.1 Temporary employees in the same or related classifications or band level in the career-banding system must be terminated before any employee with a probationary or permanent appointment, provided that a probationary or permanent employee can perform the temporary employee’s tasks.

      2.2.2 Employees with probationary appointments as well as trainees and apprentices with less than six months’ service must be terminated before any employee in the same or a related classification or band level in the career banding system with a permanent appointment, provided that the employee can perform the tasks of the probationary employee, trainee or apprentice.

   2.3 Temporary employees or employees with time-limited permanent appointments may be laid off without following the reduction in force procedures.

3. **Development of a RIF Plan**

   3.1 If it becomes necessary for any department of East Carolina University to implement a Reduction in Force (RIF), the head of that department must consult Employee Relations within the Department of Human Resources
regarding the desire to initiate a RIF. Employee Relations will provide the department with the necessary information to develop a RIF plan.

3.2 After consultation with Human Resources, the head of the department should request, in writing, permission from the appropriate Vice Chancellor\(^1\) to initiate the RIF plan. Once this written approval is received, Employee Relations will assist the head of the department in the preparation/design of a RIF plan.

3.3 The RIF Plan must provide the rationale behind the selection of particular employees to be separated and the ones to be retained. Consideration for reduction in force of permanent employees includes, but is not limited to, the following factors:

i) Type of appointment  
ii. Positions considered to be most vital to the department in the delivery of services  
ii) Relative efficiency (skills, knowledge and productivity of employees)  
iii) Consideration of equal employment factors to avoid adverse impact  
iv) Length of service of employees (but not seniority-driven)

The RIF Plan must incorporate, at a minimum, the following:

3.3.1 Narrative description of the issue(s) resulting in the need to abolish positions, including discussion of at least the following:

i) Legal and organizational requirements for the services affected;  
ii) Impact of the current situation on overall program objectives;  
iii) Consideration of redistributing available resources;  
iv) Organization structure;  
v) Alternatives and external funding that have been considered;  
vi) Economy and efficiencies in service.

3.3.2. The classifications of positions selected by management to be involved in the RIF and a listing of all persons in affected classifications, along with the following identifying data:

i) Performance history, including evaluations and any disciplinary actions;  
ii) Length of service in current classification and total state service; Note: In determining the length of service, an

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\(^1\) Whenever a Vice Chancellor is not available to perform a duty assigned to him or her in this policy, including but not limited to consideration of a RIF within the Chancellor’s Division, the Chancellor may designate as he or she deems appropriate another person to carry out that duty.
eligible veteran shall be accorded one year of state service for each year or fraction thereof of military service, up to a maximum of five (5) years credit.

iii) Age;
iv) Race;
v) Gender;
vi) National origin.

3.3.3 Description of all other alternatives explored by management.

3.3.4 Copy of written correspondence requesting the RIF.

3.3.5 Copy of written approval authorizing the RIF.

3.4 The plan will be signed and dated to indicate approval by the appropriate Department Director, Divisional Vice Chancellor, Equity Officer, University Attorney and forwarded to the Associate Vice Chancellor for Human Resources for review and approval. The plan will then be forwarded to the Chancellor for final review and approval:

3.5 When all the approvals have been obtained, the next step is to notify the affected employee(s).

4. Notification of Employees

Before a reduction in force occurs, the director or department head will consult with Employee Relations to create the notification letter. The notification letter provides the following information to the employee(s) being laid off:

i) The reason for the reduction in force;
ii) The effective date of the reduction in force (at least 30 days following notification date); and
iii) Information related to eligibility for Priority Reemployment Consideration, applicable appeal rights and other benefits as indicated below.

5. Priority Reemployment Consideration and Other Benefits

5.1 Priority Reemployment Consideration

Employees who have received official written notification of imminent separation due to shortage of funds or work, abolishment of a position, or other material changes in duties or organization by the process commonly known as reduction-in-force are eligible for priority reemployment consideration as detailed in the Office of State Personnel Policy regarding Priority Reemployment Consideration.
Refer to the OSP Policy at [http://www.osp.state.nc.us/RIF/reemploy.htm](http://www.osp.state.nc.us/RIF/reemploy.htm).

5.2 *Severance Salary Continuation*

5.2.1 *Severance Salary Continuation*: Eligible employees shall be paid severance salary continuation as detailed in the Office of State Personnel Policy regarding Severance Salary Continuation.

5.2.2 *Age Adjustment Factor*: Employees receive an age adjustment for each full year over 39 years of age as detailed in the Office of State Personnel Policy regarding Severance Salary Continuation.

An employee who is reemployed in any permanent position with the State while receiving severance salary continuation, will no longer be eligible for such pay effective on the day of reemployment. Refer to the OSP Policy at [http://www.osp.state.nc.us/RIF/severance.htm](http://www.osp.state.nc.us/RIF/severance.htm).

5.3 *Leave Balances*

5.3.1 *Vacation Leave*: Employees may elect, subject to approval by management, to exhaust vacation leave prior to their separation date and be paid in a lump sum for accumulated vacation leave balance not to exceed 240 hours. If an employee has over 240 hours at the time of a RIF, the excess leave will be reinstated if the individual is reemployed by a state agency within one year.

5.3.2 *Sick Leave*: Sick leave balances are not be paid out. Instead, employees separated due to reduction-in-force shall be informed that their sick leave balance shall be reinstated if employed in any state agency within five years.

5.3.3 *Legislative Bonus Leave*: Employees shall be paid accrued legislative bonus leave in a lump sum up to the maximum allowed and/or applicable balances of special leave awards.

5.3.4 *Compensatory Time*: Compensatory time balances are paid out for non-exempt employees. If an employee is exempt from overtime, compensatory time is forfeited.

5.3.5 *Community Service Leave*: The balance of community service leave can be transferred to other State agencies.

5.4 *Insurances*
5.4.1 **Health Insurance:** The State will continue to pay health insurance premiums for up to twelve months for employees with twelve or more months of service who are separated due to Reduction-in-Force. These employees may continue to pay for spouse and/or dependent children coverage. At the end of the twelve month period, the employees may begin paying for their own coverage as well as the coverage for spouse and/or dependent children indefinitely via direct billing with the NC State Health Plan.

5.4.2 **Other Insurances:** Employees affected by a RIF may be eligible for continuation of other insurances. University Benefits Specialists can provide specific information regarding continuation options.

5.5 **Retirement Options**

RIF employees have the option of: a) leaving contributions in the retirement system and maintaining all of the earned creditable service as of the date of separation, b) receiving a refund of contributions to the retirement system, or c) having their contributions transferred to an IRA or other qualified retirement plan. Please note, early withdrawal and/or rollover may result in tax penalties or loss of future health benefits. RIF employees may also be eligible for retirement benefits, including Discontinued Service Retirement. University Benefits Specialists can provide retirement information/options specific to the affected employee.

5.6 **Unemployment Insurance**

Employees affected by the RIF are eligible to apply for Unemployment Insurance through the NC Employment Security Commission.

More information on Unemployment Insurance, including the ability to receive an estimate of eligible benefits, can be found on the NC Employment Security Commission website at: http://www.ncesc.com/individual/default.asp.

5.7 **Longevity**

Longevity pay is paid to employees with at least 10 years of state service. Payment is made annually based on an employee’s salary and total state service. Eligible employees who are reduced in force receive a pro-rated payment in accordance with State longevity pay policies.
6. **Appeal Rights**

   Appeals of separation due to reduction in force may be made as defined in, and in accordance with, the East Carolina University SPA Employee Mediation and Grievance Policy which can be located in the Human Resources Policy page at http://www.ecu.edu/cs-admin/HumanResources/Policies_and_Procedures.cfm.

7. **Policy Access**

   The RIF Policy can be obtained from the Department of Human Resources, or through the ECU Business Manual. The RIF Guidelines and Policy will be filed with the Office of State Personnel as a public record.