Policy 4.81

Reduction in Force & Reorganization

Responsible Official: VP for Human Resources
Administering Division/Department: Employee Relations
Effective Date: April 02, 2007
Last Revision Date: October 17, 2013

Policy Sections:
I. Overview
II. Applicability
III. Policy Details
IV. Definitions
V. Related Links
VI. Contact Information
VII. Revision History

Overview

This policy provides guidance to academic and business units that reduce or eliminate staff. When the possibility of reducing or reorganizing the work force is identified, Human Resources and Office of the General Counsel must be consulted early in the planning stages. This contact should be made prior to the identification of particular individuals who will be impacted by a reorganization or reduction in force. All decisions should be based on careful analysis of the workforce needs, financial resources, and available options. Staff will be treated fairly and provided assistance throughout the reorganization and/or reduction in force process. Decisions and actions impacting faculty must be made according to the Statement of Principles Governing Faculty Relationships (Grey Book).

Organizational review may result in a variety of solutions, including:

- elimination of programs, centers, and/or departments
- mergers of units and/or functions
- reductions-in-force within existing units

Program elimination may be appropriate when:

- there is a reduction or loss of funding or resources
- a function or service is not critical to the core academic or scholarly mission, or can be performed or delivered through alternative means

A merger of units or functions may be appropriate when an executive level review of the organization’s workforce reveals redundancies of functions and services and the need for greater efficiency.
A reduction-in-force (RIF) may be necessary or appropriate when there is redundancy in roles, or excess capacity within a work group or across work groups, such that it would be economically feasible and responsible to reduce the number of employees in a unit without impacting the quality or quantity of work performed by the department, unit, or work group. Although performance may be a factor in determining which employee(s) will be impacted by a RIF, it is important to note that a RIF should not be viewed as the means to terminate poorly performing individuals whose poor performance has not been appropriately documented.

Once a decision has been made that reorganization or a RIF is necessary, the highest level of authority within a business unit and/or the Human Resources Director should contact their Central Human Resources Employee Relations Director, who will guide the department in conducting an analysis and developing a reorganization and/or reduction in force plan. When positions may be eliminated, the Employee Relations Director will work with Emory’s Office of the General Counsel to review and execute RIF documents.

All RIF and reorganization decisions should include the following elements:

- Analysis to determine which entities, departments, units, programs, services, etc., should be reduced or reorganized
- Identification of the functions that will/must remain within the unit after the reorganization or reduction, if applicable.
- Identification and analysis of the position(s) to be eliminated in a RIF
- A review of organizational charts before and after the reorganization or reduction to illustrate the anticipated changes
- A review of opportunities for reassignment when applicable
- Determination of reorganization or RIF implementation plan to include a timeline, communication plan, notification process, reassignment and redeployment, if appropriate
- Flexibility in allowing RIF-displaced staff opportunities to interview for, and be re-positioned in other positions at Emory prior to the separation date
- For RIFs a draft notification to the affected staff members including the availability of severance pay or notice in lieu of severance pay
- The preparation of accompanying documents and severance agreements, when applicable

Applicability

n/a

Policy Details

Selection Criteria for RIFs

Following an analysis of the academic and business needs and determination of the new organizational structure, the following criteria should be used to identify the individuals who will be affected by a reduction in force. Although an individual’s job performance may be a factor in deciding who will be impacted by a reduction in force, the plan itself must begin with an analysis of the job functions that are needed, rather than a focus on individual employees:

Positions will be selected for elimination based on the needs of the department.

Employees will be selected for elimination based on skills and ability applicable to the department’s needs

Documented performance

Length of Emory employment to the extent that employees are otherwise equal in skills, abilities and performance
In some situations, an assessment tool will be required to assist in the objective selection of employees to be selected for possible elimination.

Issues Regarding Faculty

When a planned reduction, merger, or elimination may impact faculty, the decision maker(s) must consult the Provost and the Office of the General Counsel before proceeding, to ensure compliance with the Statement of Principles Governing Faculty Relationships (the Grey Book).

Approval Process

A written plan (Reorganization and/or Reduction In Force (RIF) Justification) should be provided for review and approval by the respective dean, vice president or designee. All documentation prepared in the evaluation and analysis process and the proposed business plan and rationale must be reviewed by Human Resources and the Office of the General Counsel. Any decision that will result in the elimination of a program, center, department, or faculty position must be reviewed by the Provost or appropriate Executive Vice President. A written Reorganization/Reduction in Force plan must be submitted for review by Human Resources and the Office of the General Counsel. If desired, Human Resources can assist in the preparation of this plan.

Notice and Severance Pay for RIFs

The department should provide written notification to all affected Staff. In addition, when severance pay is included, it will be offered to affected employees based upon the employee’s length of service to Emory. For these reasons, departments must discuss final pay issues with Human Resources prior to notifying the employee(s). In order for an employee to receive severance pay, the employee must execute a Severance Agreement & General Release in the form provided by Emory. Employees who are given advance notice of termination in a reduction in force should be allowed flexibility in their work schedules to pursue other positions.

Eligible staff will receive severance pay according to a standard severance pay schedule based upon years of service. Generally, severance pay will be provided in a lump sum payment, less withholding for taxes. The department may give employees the option to take a personal leave of absence in 30-day increments up to ninety (90) days following a Reduction in Force. Severance payments are not made until a Personal Leave of Absence ends. Employees will not receive unemployment payments from the Department of Labor until they are fully separated from Emory.

Notice to faculty must be provided in accordance with the Statement of Principles Governing Faculty Relations (Grey Book).

Notice in Lieu of Pay for Term Appointments/Positions

For certain positions, notice in lieu of severance pay may be more practical or appropriate than a severance payment. These positions are generally funded on a term or limited basis, for the duration of the funding source support or the completion of the project, and the general appointment end time is usually known or at least can be anticipated, at the time of the appointment, or the position is by nature “soft funded” so implicitly is a “term” appointment. For these positions that are “term” in nature (i.e., a specified term, duration of a program or project, or funding amount limitations), notice in lieu of severance pay is the appropriate action unless otherwise specified.

Such notice should be given in writing as soon as practicable, but no less than 60 days before the employee’s final date of employment. A copy of the notice letter should be provided to Human Resources (Employee Relations/Organization Development).

When Notice in Lieu of Pay is utilized by a Department for term appointed employees, it must be utilized consistently for all employees affected by a particular reduction in force. In other words, within the same RIF action, a department cannot elect to pay severance to some employees and give notice to others for groups of employees who reside in the same “type” of position.

Postdoctoral Fellows
All reductions in force that involve a postdoctoral fellow should follow the policies and procedures established by the Office of Postdoctoral Education and that office should be contacted directly for guidance in these actions.

**BENEFITS**

**Accrued Leave**

Employees who separate from employment will be compensated for the balance of accrued, unused vacation up to the maximum allowed by policy (HR 4.100 and 4.101), provided the employee has been employed at the university for at least six consecutive months in a benefits eligible status. No payment will be made for unused sick leave and/or floating holiday(s) hours at the time of separation.

In the event of rehire, an employee’s leave balances are not restored if the break in service is longer than thirty (30) days.

**Health, Dental, Flexible Spending Accounts**

All health and dental insurance continues through the end of the month in which employment ends. If the employee exercises the option to take an unpaid Personal Leave of Absence, s/he will be billed for insurance at the employee rate. (See Policy 4.78, Personal Leave, http://www.policies.emory.edu/4.78). Flexible spending account deductions continue through the last paycheck, and can be used for expenses incurred through the last day of employment. Upon separation, employees may maintain their current health care, dental care and medical flexible spending account for up to 18 months under COBRA.

**Life Insurance**

Life insurance ends on the last day of the month in which employment ends. Life insurance can be continued as an individual policy by contacting the insurance company within 31 days of termination.

**Disability Insurances**

Long-term and short-term disability insurance ends on the last day worked. Long-term disability insurance can be converted to an individual policy by contacting the insurance company within 31 days. There is no conversion option for short-term disability or for the COLA option.

**Courtesy Scholarship/Tuition Reimbursement Programs**

Employees and their eligible dependents may continue to participate in the Courtesy Scholarship program through the academic year in which they were enrolled at the time of the reduction. Employees who are taking courses through tuition reimbursement at the time of the reduction in force will be eligible for reimbursement of tuition costs for those courses.

**Retirement Plan**

Vested retirement plan contributions made by Emory or the employee may remain in Emory’s plan. The employer contributions to the retirement plan cease at the time of termination.

**Other Voluntary Benefits**

Other voluntary benefits, including long-term care, home/auto insurance, and supplemental disability insurance may be continued on a self-pay basis by contacting the insurance carrier.
Definitions

Reduction in force

A reduction in force (RIF) is defined as a separation from employment due to lack of funds, lack of work, redesign or elimination of position(s), with no likelihood or expectation that the employee will be recalled because the position itself is eliminated.

For the purposes of this policy, a term limited appointment is a defined as an appointment for which the end date or termination date is usually known or at least can be anticipated at the time the appointment is initiated, or the position is by nature “soft funded” so implicitly is a “term” appointment. For term limited appointments, the duration can be a specified term (e.g., six months, one year, etc.), or the duration of a program or project (until completed, but the exact date may be unknown until near the end of the program or project), or based upon funding amount limitations. For term limited appointments, notice in lieu of severance pay is the appropriate action unless otherwise specified. This policy applies to regular full and part-time employees.

Reorganization

A reorganization is a change to a reporting unit without separation of employment. It may involve one or more of the following:

- moving an individual or unit to another department or division
- reclassification of position(s) resulting from the reorganization
- change(s) in supervisory reporting lines resulting from the reorganization

This policy applies to reorganizations as well as reductions in force. A reorganization does not require a notice period or severance payment.

Related Links

- Current Version of This Policy: http://policies.emory.edu/4.81
- http://www.policies.emory.edu/4.81 (http://www.policies.emory.edu/4.81)
- RIF Justification (http://www.hr.emory.edu/eu/docs/rif-justification.doc)

Contact Information

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director, Employee Relations/Organizational Development</td>
<td>Jeanne D. Thigpen</td>
<td>404-727-7644</td>
<td><a href="mailto:persjdt@emory.edu">persjdt@emory.edu</a></td>
</tr>
</tbody>
</table>

Revision History

- Version Published on: Oct 17, 2013
- Version Published on: Sep 26, 2012
- Version Published on: Sep 21, 2009
- Version Published on: Jul 02, 2007 (Original Publication)