

Standard Practice Guide Policies

Reduction in Force

201.72

Applies to: Research Professors, Research Scientists, and Regular Staff who are on open-ended appointments with the exception of those represented by a bargaining unit

I. POLICY

- A. A. The University endeavors to provide stable employment. However, situations such as a lack of funds, lack of work, or reorganization may require a reduction in the work force. Departments making such reductions are responsible for retaining the staff necessary to preserve the University's excellence as an educational institution.
- B. This policy does not apply to changes in employment status, appointment, or hours due to:
 - 1. a short-term layoff (furlough) or short-term reduction in hours implemented pursuant to SPG 201.73 (<https://spg.umich.edu/policy/201.73>); or
 - 2. an Emergency Reduction in Operations implemented pursuant to SPG 201.27 (/policy/201.27).
- C. Reduction of staff will be by department, and by classification. Prior to any reduction in force, the department head may reassign staff members to classifications they formerly held or to classifications in the same or lower salary grades. The order of reduction will begin with the staff member with the least University service (seniority) in the affected classification, except that the University may retain employees, irrespective of service, who possess the necessary skills, knowledge, and abilities to perform the available work which are not possessed to the same degree by other employees in the same classification.
- D. Large departments may subdivide the department for the purpose of reducing the work force provided the department: 1) develops a standing organizational plan identifying the subgroups, and 2) submits the RIF organizational plan to the appropriate Human Resources Office that serves that department and to the Senior Director, Office of Institutional Equity, for review to ensure that the plan does not adversely affect employees in categories listed in paragraph. I. E. below.
- E. There will be no discrimination on the basis of race, sex, color, religion, creed, national origin or ancestry, age, marital status, sexual orientation, gender identity, gender expression, disability, veteran status, and height or weight, nor will individual salaries or eligibility for retirement be criteria for determining who will be removed from a position.
- F. The provisions of this policy are not to be used to remove a staff member if the sole cause is either misconduct or performance concerns.

II. REGULATIONS

A. TEMPORARY AND PROBATIONARY EMPLOYMENT WITHIN THE DEPARTMENT

1. Whenever practical, temporary employment should be reduced or eliminated as a measure to retain regular staff members.
2. Probationary employees should be terminated before regular employees are removed or laid off, providing that those remaining have the skills, knowledge, and ability to perform the work.

B. NOTIFICATIONS OF REDUCTION IN FORCE OF REGULAR STAFF MEMBERS

1. Before notification of layoff is given to any staff member, the person responsible for the reduction in force decision will:
 - a. Determine within each classification the staff member with the least service in the affected classification who will be laid off provided the remaining staff members have the skills, knowledge and ability to do the available work;
 - b. When length of service is not the determining factor, document: 1) the criteria for selection to layoff and 2) the necessary skills, knowledge or ability to perform the work of each staff member in the affected classification who has less service than the staff members affected;
 - c. Submit the proposed selection for review and approval from the appropriate central Human Resources Office;
 - d. Submit full documentation of the circumstances and obtain written approval from the appropriate Vice President/Chancellor or designee for any reduction in force that will affect a staff member with 10 or more years of service.
 - e. A full or part-time staff member who is designated for layoff must be given written notice as soon as practicable, but not less than 30 calendar days prior to layoff. A staff member with 10 or more years of service and all primary staff will be notified not less than 90 calendar days prior to layoff. A transfer may be made any time during the notification of layoff period. If a layoff is expected to affect more than 50 employees at a single site or facility, special notice provisions may apply and department administrators should contact the appropriate Human Resources Office.
 - f. A department may choose to provide payment in lieu of notice equivalent to the regular compensation plus any shift differential if applicable, the staff member would have received if the staff member had been required to work during the notice period for which he/she is eligible. If a staff member transfers to other employment with the University during the notice period, payment in lieu of notice will cease.

C. TRANSFERS

1. A staff member designated for layoff may at the University's discretion, have the option of electing a layoff (with no expectation of unemployment compensation benefits) rather than a transfer at the time he/she is notified of the layoff. When this option is elected, the University is relieved of all responsibility for placement except for recall to the position held at the time of the layoff. (See below, Regulation II.E., Recall)
2. A staff member who is designated for layoff or laid off, and whose qualifications are made known to a hiring department will receive preferential consideration for placement in an open regular position for which he/she is qualified. This preference for consideration is limited to vacant positions in the employee's former classification or vacant positions if the minimum

departmental qualifications are met.

Primary responsibility for placement of the staff member rests with the staff member's former unit. Accordingly, qualified staff members will be placed into vacant positions in the following order of priority:

- a. in their former classification;
 - b. in their former department;
 - c. in their former organizational group.
3. The hiring department in consultation with the appropriate Human Resources Office is responsible for determining the qualifications for open positions and whether or not a person meets those qualifications. Qualified means that records of the University and other knowledge known to the University indicates with reasonable certainty that the staff member will be able to competently perform the full range of duties of the open position. If the staff member who is designated for layoff or laid off, is not qualified for the open position, the department must document the reasons for non-selection.
 4. When an individual who is designated for lay-off or laid off accepts an offer of regular employment at the University, the initial 90 days of employment in the new position will be a mutual assessment period. Supervisors will assess the staff member's work performance to determine whether to continue employment. If employment is not continued or if the staff member considers the new employment to be unsatisfactory, the staff member may return to lay-off status. Neither the University nor the staff member has an obligation to continue employment through the mutual assessment period.
In these cases where a staff members returns to lay-off status, the lay-off period will resume and continue through the original end-date of the lay-off period as if uninterrupted. If the lay-off period would have expired during the period of employment and employment is not continued, the staff member will revert to lay-off status for the period of time he/she spent in the department during the mutual assessment period.
 5. A staff member designated for layoff or laid off, who fails to accept an offered appointment at a salary of 80% or more of his/her prior salary shall be terminated.
 6. A staff member whose appointment is reduced by 50% or more has the option of either accepting the reduced appointment or electing a layoff. If the layoff option is elected, the staff member will be subject to all provisions of this policy.

D. LAYOFF

1. A staff member who is not transferred to another position during the notification of layoff period will be laid off.
2. The duration of layoff is a period equivalent to the staff member's length of service up to a maximum of 12 months. A staff member who is laid off who has not been re-employed within the 12 month period will be terminated.

E. RECALL

1. A staff member laid off or transferred from a position under the provisions of this policy will be recalled to the position before temporary or new regular staff members are hired, for the position provided:
 - a. The recall occurs within the time limits provided in II. D. 2, and

- b. The staff member has retained the ability to perform the work.
2. The order of recall will start with the staff member with the most University service who has the qualifications required.
3. A staff member who at the time a layoff period expires, is working in another regular position to which he/she was transferred or recalled during the layoff period, will retain his/her seniority, but will have no further recall privileges to the original position held at the time of layoff.
4. A staff member who is transferred or recalled to another regular position (as opposed to placement under the mutual assessment period) and is subsequently laid off from that position during the original layoff period, has the option at the time of the second layoff, of either 1) retaining the original eligibility period for recall to the position held at the time of the original transfer or layoff, or 2) establishing a new eligibility period for recall to the position from which the second transfer or layoff occurred, provided that the transfer or recall to the interim position was not for a fixed period of time.
5. A staff member on layoff status who doesn't respond within seven (7) calendar days of a notice regarding either a recall to work or an opportunity to interview for an open position, will be terminated. Written communications will be sent to the individual's last known address as provided to the Human Resource Records and Information Services Office.

F. LEAVES OF ABSENCE

A leave of absence will not be granted in lieu of a layoff.

G. BENEFITS

The following benefit regulations apply to staff members who are laid off. Staff members who accept a reduced appointment of less than twenty (20) hours are considered laid off for the purpose of benefit eligibility. The department originating the layoff must process a Personnel Action Request and document the fact that the effort is being reduced because of Reduction in Force.

1. SICK TIME

- a. A staff member who is laid off will retain any unused sick time but will not be able to use sick time during the period of layoff.
- b. A staff member who accepts a reduced appointment and who is otherwise eligible for sick time benefits may use sick time in proportion to his/her new appointment fraction.

2. PARENTAL LEAVES

A staff member who is laid off is not able to use paid maternity (childbirth) and/or paid parental leave during the period of layoff. Access to proportional amounts of maternity (childbirth) and parental leave is available if the staff member begins working in an eligible appointment prior to the end of the layoff period. As the purpose of the paid leave, whether maternal recovery or bonding, is assumed to begin immediately following the arrival or placement of a child, the paid time available will be proportional to the event date and the return to work. For example, if the birth was four weeks prior to the scheduled return to work, the mother will have two weeks of paid maternity (childbirth) and six weeks of paid parental leave. A non-birth parent in this scenario would have two weeks of paid parental leave available.

3. VACATION

Accrued vacation will be paid by the University at the time of layoff. Vacation will not accrue during the period of layoff.

4. GROUP LIFE, AND HEALTH AND DENTAL INSURANCE

A staff member may continue life, health and dental insurance coverage until the end of the 12th month following the month the layoff became effective, provided the staff member remits payment of the full premium in advance as prescribed by the University. It is the responsibility of the staff member to contact the Shared Services Center prior to the layoff to make arrangements for continuation of benefits.

Coverage will be discontinued at any time the staff member is employed by another employer who provides a health, dental and/or life insurance plan.

A recalled staff member will receive benefit of the full University contribution for the following month in the month he/she returns to work with an appointment of twenty (20) hours or more. If coverage has been discontinued, coverage will be reinstated when the employee returns to a benefit eligible position.

5. RETIREMENT PROGRAM

All contributions are discontinued.

6. RETIREMENT ELIGIBILITY

The staff member must have reached the necessary age and accumulated the necessary years of service (See SPG 201.83 (/policy/201.83)) as of the last day worked, to qualify for University retirement benefits.

7. DISABILITY PLAN

Disability Plan protection will be discontinued during the period of layoff.

Notes

December 2022: Updated to clarify it applies to Research Scientists and Research Professors, and to correct references for the PAR process and Shared Services Center.

June 2020: This policy was updated in May 2020 to make reference to the new SPG 201.73 on Short-Term Layoff (Furlough)/ Short-Term Effort Reduction.

The policy was reviewed in February 2018. No changes were made.

This policy was updated in September 2018 to clarify eligibility and use of Paid Maternity (Childbirth) and Parental Leave (SPG 201.30-6).

File Attachments

FAQ's on Emergency Reduction in Operations (/sites/default/files/policies/201x27%20attachment.pdf)

SPG Number:

201.72

Applies To:

Research Professors, Research Scientists, and Regular Staff who are on open-ended appointments with the exception of those represented by a bargaining unit

Date Issued:

February 1, 2000

Owner:

University Human Resources

Last Updated:

December 1, 2022

Next Primary
Review Contact:
Date: University
December Human
1, Resources
2027

Related Policies:

Emergency Reduction in Operations (</policy/201.27>)

Retirement (</policy/201.83>)

Short-Term Layoff (Furlough)/Short-Term Effort Reduction (</policy/201.73>)

Related Links:

Reduction in Force (<https://hr.umich.edu/working-u-m/my-employment/furlough-effort-reduction-reduction-force-rif/reduction-force-rif>)

Hard copies of this document are considered uncontrolled. If you have a printed version, please refer to the University SPG website (spg.umich.edu) for the official, most recent version.

© 2022 The Regents of the University of Michigan