



Human Resources

MEDICAL CENTER HUMAN RESOURCES POLICY NO. 407

- A. SUBJECT: Reduction In Force
- B. EFFECTIVE DATE: January 1, 2014 (R)
- C. POLICY:

The University of Virginia Medical Center strives to provide stable employment for employees who are meeting performance expectations. However, business conditions may arise such as budget restrictions, lack of work, or reorganization of services that may result in elimination of one or more positions. The purpose of this policy is to establish guidelines for fair treatment of employees whose positions have been eliminated due to a Reduction In Force (RIF).¹ This policy does not apply to temporary or probationary employees. Members of Medical Center Management are not subject to this policy ([See Medical Center Human Resources Policy No.105 “Management Conditions Of Appointment”](#)).

It is the policy of the Medical Center that a Reduction In Force should only be implemented after examining available alternatives such as re-design of positions or work unit, and changing work schedules. Supervisors are expected to address performance issues through the performance improvement counseling process and not utilize the Reduction In Force policy for this purpose.

Employees in grant-funded positions as defined in the Catalog of Federal Domestic Assistance are eligible to receive severance benefits ONLY if the funding source has agreed to assume all financial responsibility in its written contract with the Commonwealth.

D. DEFINITIONS:

1. Reduction In Force (RIF) – The process whereby employees are involuntarily separated from employment due to budget reductions, reorganizations, workforce down-sizing, or other causes not directly related to the job performance or misconduct of the employee.
2. Comparable Position - A position with the Medical Center or Academic Division of the University for which the employee is qualified, in which the employee would incur no reduction in the employee’s base rate of pay, requires no residential relocation, and which qualifies the employee for substantially similar benefits.
3. Displaced Employee - An employee who has received written notice that his/her position has been eliminated due to a Reduction In Force, but has not yet completed the notice period.

¹ This policy shall apply to all RIFs unless a RIF is governed by state or federal law.

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4. In-Placement- Process whereby Human Resources identifies comparable vacant positions within the Medical Center or Academic Division for Displaced Employees.
5. Length of Service – Period of continuous employment in a full-time or Flex Option position with the Medical Center or Academic Division.

E. PROCEDURE:

1. Determining Necessity for a Reduction In Force

The decision to initiate a Reduction In Force will be based on business necessity reasons such as: work is not sufficient to require the existing number of staff; and/or revenue sources have reduced the ability to fund such services and positions; and/or reorganization of the unit or department has changed the type and/or number of positions required.

Prior to initiating a Reduction In Force, the Administrator of the area will obtain approval from the appropriate Chief and determine the factors that will guide the RIF process consistent with business needs and the provisions of this policy. Before implementing a RIF, Administrators must:

- a. Designate business functions to be eliminated or reassigned;
- b. Review all vacant positions within their purview to identify vacancies that can be used as reassignment options in lieu of RIF.
- c. Conference with Human Resources to gain an understanding of how the RIF and corresponding Workforce Management Plan process works and determine that no employees to be affected by the RIF are eligible for any vacant positions prior to filling the vacancy with another person.
- d. Obtain required approvals from the appropriate Chief as outlined in the Workforce Management Plan process in coordination with Human Resources.

2. Identifying Positions for Elimination

The decision to initiate a RIF requires a thorough evaluation of the need for specific positions and the relative qualifications of employees so the Medical Center can continue to provide the highest level of service possible with a smaller work force. When identifying positions for elimination, management will apply factors to all employees in a uniform and non-discriminatory fashion.

Management must consider the following factors before notice to the employee is given, although other non-discriminatory factors may be considered as well:

- a. Job class and functions performed
- b. Employment status (Regular Full Time, Regular Part Time, Flex Staff, Pool, or Temporary); Temporary Status positions will normally be eliminated before any Regular Full Time, Regular Part Time, Flex Staff or Pool positions.
- c. Performance (Documented ratings on two most recent annual performance appraisals and consideration of any formal Performance Improvement Counselings)

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If an employee is in a position that is targeted for reduction and has the following performance issues, he/she will be the first selected for a reduction:

- i. Employee received an overall Does Not Fully Meet Expectations on his/her most recent performance appraisal, and/or is on a formal Performance Improvement Plan.
 - ii. Employee has a pattern of performance issues relating to behavior or attendance within the previous twelve (12) months that have been documented.
- d. Length of service

If the unit/department has more than one employee in a job class performing the functions identified for reduction, the selection of the positions to be retained will normally be based upon qualifications; (Knowledge, skills and abilities needed to staff the positions remaining)

Positions made vacant by Reduction In Force may not be filled for at least six (6) months from the effective date of the RIF.

3. Notice Period

Employees whose positions have been identified for elimination will be given written notice a minimum of 30 days in advance of their last day of work. At the discretion of the area Administrator, 30 days pay may be provided in lieu of this notice. Employees who work through their notice period are expected to maintain standards of performance. Failure to maintain these standards may result in progressive counseling up to and including termination for cause. ([See Medical Center Policy No.701 "Standards of Performance and Conduct"](#)) If the employee is terminated for cause during the notice period, severance payment will not be applicable.

Annual merit increase will not apply to any employee whose last day of employment, specified by the written notice of position elimination, is prior to any subsequent annual merit increase effective date.

4. In-placement Services During Notice Period

A Displaced Employee is expected to interview with an HR Recruiter identified by the Recruitment Manager to determine qualifications and skills required for comparable vacant positions within the Medical Center or Academic Division of the University. A Displaced Employee who is qualified for a Comparable Position and has an active application or resume, will be interviewed for the Comparable Position prior to external candidates who are not current employees of the Medical Center or Academic Division.

The Displaced Employee is not obligated to accept a Comparable Position which is offered or assigned during the notice period. However, an employee's refusal to interview, or refusal of a *bona fide* offer of a Comparable Position without a compelling reason, as determined by Human Resources, will be regarded as a voluntary resignation and will render the employee ineligible for severance pay. If an employee accepts a position at a lower rate of pay, which would not be considered a comparable position, the employee will receive his/her current higher rate of pay for the duration of the applicable severance period, followed by the appropriate pay rate reduction in accordance with [Medical Center Human Resources Policy No. 401 "Pay Administration"](#).

Employees who are displaced from their position under this policy and accept another Medical

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Center position at a lower rate of pay during the notice period will be eligible for a lump sum PTO adjustment payment. This payment will be equivalent to the difference between the previous pay rate and the new pay rate, multiplied by the number of hours in his/her PTO balance on the date of the demotion. This payment will be included in the pay check for the first pay period in the new position.

5. Termination Date

The employment termination date will be the last day of the notice period, unless the employee voluntarily requests an earlier termination date which is approved by Human Resources and the area Administrator.

6. Severance Payment

A Displaced Employee will be eligible for severance payment following termination for RIF from a full-time or Flex Option position unless he/she has declined a Comparable Position in the Medical Center or the Academic Division, or been terminated for cause during the notice period. Severance payments begin upon completion of the notice period, or on the termination date if the employee's request for early termination is approved by Human Resources and the area Administrator. The severance payment period will be based on the employee's consecutive years of service with the Commonwealth of Virginia in a full-time or Flex Option position as follows:

<u>Consecutive Years of Service</u>	<u>Severance Payment Period</u>
6 months - 2 years	4 weeks salary
3- 9 years	4 weeks salary plus 1 week salary for every year of service over 2
10 - 14 years	12 weeks salary plus 2 weeks salary for every year of service over 9
15 years or more	2 weeks salary per year, not to exceed 36 weeks of salary

Receipt and payment of Severance Payments pursuant to this policy is expressly conditioned upon execution of a Severance Agreement & Release to be provided by Human Resources.

Employees with partial years of service will have that service rounded up to the next highest year for the purpose of determining the severance benefit. Partial years of service will not affect leave accrual or years toward service for retirement purposes.

Employees will receive their severance payments in regular bi-weekly direct deposits for the duration of the severance period. The severance benefits will be reduced by any unemployment compensation payments received by the employee during the severance period.

7. Enhanced Retirement Benefits

Any eligible full-time employee who is a vested member of the Virginia Retirement System (VRS), and who is at least 50 years of age, may elect to use the total value of applicable benefits to have the Commonwealth purchase years to be credited for retirement purposes to either the employee's age or creditable service, or to be divided between age and creditable service.

The cost of each year of age or creditable service purchased shall be equal to 15% of the employee's present salary. The number of years of age or creditable service to be purchased shall be equal to the amount obtained by dividing the cash value of the severance money and life insurance premium credit to which the employee would be eligible, by the cost of each year of

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age or creditable service. Employees interested in retirement are encouraged to contact the University Benefits Office or the Virginia Retirement System for further information.

8. Rehire

Severance payments will be discontinued if the employee is rehired by UVA Medical Center or Academic Division prior to the end of the severance payment period. Displaced Employees, who are rehired by the Medical Center within one year of the effective date of the position elimination, maintain their original appointment date for purposes of benefits eligibility. If a rehire date has been established prior to the payout of PTO and catastrophic leave balances, the employee may request that payment not be made. Displaced Employees rehired during their severance period do not begin a new probationary period.

9. Effect on Benefits

Upon termination, the Displaced Employee will be paid his/her full accrued Paid Time Off (PTO) balance. Employees who have a Catastrophic Leave Balance with five (5) or more years of continuous service will receive payment for twenty-five percent (25%) of the balance of their Catastrophic Leave bank up to a maximum payout of \$5,000.

Employees shall contact Human Resources Customer Service at 243-3344 to discuss the impact on their benefits and make any necessary arrangements for continuation of affected benefits.

10. Eligibility for Rehire

Displaced Employees will be designated as eligible for rehire as long as they leave the Medical Center in good standing and their job performance was documented as a Meets Expectations or higher.

11. Medical Center Property and Access Privileges

The supervisor is responsible for ensuring that all Medical Center property issued to employees is returned prior to the end of the notice period. Property such as IDs, keys, pagers, cell phones and uniforms, should be returned to the department on the last day of active duty. Any materials checked out from the library, or borrowed from other departments, must be returned to that department.

The supervisor is responsible for providing timely notification of the Reduction In Force to Human Resources via a Personnel Action Form (PAF). Receipt of the PAF will trigger computer systems access termination.

SIGNATURE:



R. Edward Howell, CEO, UVA Medical Center

DATE:

12/19/13

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Approved October 4, 1998

Revised May 1999, September 2004, September 2006, October 2006, September 2007, September 2011,
June 2012, December 2013

Approved by Chief Human Resources Officer

Approved by Medical Center Administration