



Lehigh University Human Resources Policy

Policy Number:	315
Effective Date:	11/1/1989
Revisions:	11/5/2009
Applicability:	All University Staff Positions Funded by Unrestricted Budget Funds

WORK FORCE REDUCTIONS AND JOB ELIMINATION POLICY

Purpose:

Policy on eliminating positions or reducing the current work force at Lehigh

Policy:

Introduction

Lehigh University recognizes that work force reductions and job eliminations are at times necessary due to changing business conditions, market fluctuations, and other economic factors. This policy applies to positions funded by unrestricted university accounts (those funded directly by Lehigh) and does not apply to externally funded positions (non-Lehigh funds such as federal, state, and local grants, and industrial/business support).

Layoffs

The action is termed a *layoff* when it is necessary to conclude the employment of a full-time or regular part-time employee due to job elimination, lack of available work or funds, or other circumstances that are not performance related.

Affirmative Action/EEO

The interests of individual employees will be given equitable consideration as all employees will be treated fairly without regard to age, color, disability, gender, gender identity, marital status, national or ethnic origin, race, religion, sexual orientation, or veteran status.

General Procedures for Work Force Reductions

Lehigh will work with individuals whose positions are eliminated or severely reduced in efforts to assist in placement in other positions at Lehigh for which they are qualified or for which they may need a reasonable amount of training to become qualified for the position.

Department Heads considering reductions in force should provide in writing to the next level of supervision the following:

- The reason for the layoff
- The job classification of the position
- Grade and title of position to be eliminated
- The name and length of service of incumbent
- An explanation of any reassignments made within the unit.

This proposed change should be submitted to the appropriate Vice President or Dean who will work with Human Resources to attempt to place the individual in his or her stem or college. If such placement is not possible, he or she will continue to work with Human Resources to seek placement in the organization of the other Vice Presidents or Deans.

Human Resources should be consulted prior to any position elimination. Human Resources will then contact every employee facing position elimination and work with them (if interested) and with the supervisors having open positions in a careful exploration of individual qualifications and job requirements.

The department eliminating—or substantially reducing the effort of—the position will provide financial support for the assessment and training of affected staff members (not to exceed \$900, in most cases). The department will also insure that individuals notified of position eliminations have reasonable release time available for assessment and training, without reduction in pay and benefits. Finally, the department will assure funding to support transfers for affected individuals hired by another department at the University unless salaries exceed the maximum of the salary range for the position. The support will cover the differential between the employee's salary (up to the range maximum) of the position budget of the acquiring department for a period of six (6) months.

Uniform Notification Procedure

Before being laid off, an employee will be given notice of at least 60 days prior to his or her last day on the job. This notice will be in writing and will state the reason for the layoff and the effective date of the layoff. Some employees in sensitive positions may be asked to leave immediately and will be paid in lieu of 60 days required notice.

Announcement of Staffing Changes

Human Resources will assist in announcing reductions to staff or job eliminations to individual employees. In no situation should any announcements relative to reductions and/or position eliminations be made without prior approval of the Department Head and consultation with Human Resources.

Special Separation Benefits

Employees separated as a result of work force reduction or job elimination will receive a limited continuation of salary and benefits after their last day on the job. This is called the severance period. The employee will be responsible for continuing regular contributions towards benefits during the severance period.

Most benefits will be continued during the severance period. The following benefits will apply to employees separated as a result of work force reduction and job elimination:

- Severance begins at departure from the University and will continue independent of other employment, unless re-employment at the University occurs.
- Severance pay will be based on years of service; payment will be by regularly scheduled paycheck.

- Payment will be made for accrued/unused vacation through end of active employment (date of severance).
- Medical coverage will continue through severance period with continuation privileges under *COBRA*.
- Life insurance coverage will continue through severance period.
- **TIAA-CREF** contributions will continue during severance.
- Tuition benefits and the tuition cash grant in progress will continue through completion of degree. Tuition benefits subject to applicable income taxes.
- Vacation and sick leave accrual and disability benefits cease on last day of active employment.

Re-employment at Lehigh

While Lehigh does not give any assurances of job placement, Human Resources may assist separated employees, if requested, in exploring opportunities at the University.

If an affected employee returns to Lehigh, prior service will be considered in establishing eligibility dates for benefits that increase with years of service, as long as the break in service does not exceed one (1) year.

PLEASE NOTE: In the event of the severed employee's death, any remaining severance allowance will be paid to the beneficiary designated for life insurance by the employee at the time of severance. In the absence of such designation, funds will be forwarded to decedent's estate.

Guidelines for Severance Pay

Severance pay provides compensation to staff members who permanently lose their positions as a result of work force reductions or job eliminations. Severance pay will assist them financially during their search for another position. These guidelines do not apply to positions funded by external sources due to the special nature of such funding.

Staff members who are not eligible include employees who:

- Voluntarily resign
- Are discharged due to inability to perform the duties of the position
- Are discharged due to misconduct or violation of rules
- Discharged due to insubordination
- Are on leave due to a long-term disability
- Are in positions supported by externally funded grants (federal, state, and local grants, and industrial/business support). All persons in such positions should have received an employment letter stating the employment conditions.

Amount of Severance Pay

Severance pay is based on the employee's Benefits Base Salary before termination. Severance payments are intended to recognize service and the need for income continuation during the search for a new position. A qualifying severed employee is entitled to:

- One-week severance pay for each full year of service.
- One additional week of severance pay for each full year of service over 20 years of service.

Each year of service is considered once in a severance period calculation. Employees who returned to Lehigh following a period of severance will receive severance benefits in a subsequent separation based on the time worked in an eligible position following their return to Lehigh.

After employees leave their position, the University may continue to pay their salary and some benefits for that period designated as the severance pay period.

NOTE: Unemployment Compensation payments are not affected by the amount of severance pay.

Keywords: Reduction, Elimination, Severance