

Rev. 4/18/2022

Reduction in Force: Overview

POLICIES AND PROCEDURES MANUAL SECTION 11

Purpose

Western Michigan University seeks to provide stable employment. However, situations may arise which require a reduction in the workforce. The University reserves the right and responsibility to make reductions in the workforce.

Application

This policy applies only to staff compensation system employees in regular, continuing positions.

The provisions of this policy are used whenever there is a temporary, ongoing, or indefinite reduction in the number of employees within a division, department, or work unit or the elimination of a regular University position or job title.

Nothing in this policy shall be construed to determine eligibility for unemployment compensation benefits. Eligibility is determined solely by the Michigan Unemployment Agency, based on statutes and agency regulations.

Application of this policy will be made in accordance with all applicable laws and statutes and all applicable University policies. For employees on approved leaves from the University pursuant to the requirements of law, such as family and medical leave or military leave, this policy shall be applied in such a manner to preserve, but not extend, those rights granted by law.

Procedure

Whenever the University deems it appropriate to reduce staff, divisional leadership will prepare a written plan that defines the extent of the reduction, including specific positions and incumbents. Those plans will be provided to WMU Human Resources to develop a communication plan for effected employees and to Institutional Equity for consideration of a fair and appropriate application of the personnel policies.

Following review, the president or vice president must approve all reduction in force organizational plans prior to any implementation.

1. **Step one: temporary and probationary employees.** Temporary employees and employees with less than six months of University seniority who are performing the job duties within the work units defined in the reduction in force should be terminated prior to any regular, continuing employee receiving layoff notice.
2. **Step two: reassignment.** During a reduction in force, essential open positions may be filled within the reduction in force unit without being subject to the posting requirements by reassignment or by permanent reassignment.

Employees temporarily reassigned or permanently reassigned under this policy must possess the necessary skills, knowledge, and abilities to perform the available work, and will not be subject to a probation period. Employees refusing temporary or permanent reassignment during reduction periods will be deemed to have resigned their employment with the University.

1. **Temporary reassignment.** An employee may be temporarily reassigned to an essential open position for up to 18 months by the appropriate reduction in force unit president or vice president. This temporary reassignment is limited to positions in the affected employee's current grade or one grade lower. The position the employee vacates may not be filled during the reduction period. At the end of the temporary reassignment, the employee returns to the vacated position
2. **Permanent reassignment.** A reduction in force unit president or vice president may authorize an employee to be permanently reassigned to an essential open position within the reduction in force unit on a continuing basis if the permanent reassignment is the result of the vacated position's permanent elimination. This permanent reassignment is limited to positions in the affected employee's current grade or one grade lower.
3. **Pay changes.** Employees reassigned (temporarily or permanently) to a position within their current grade or one grade lower are not eligible for a pay change at the time of reassignment.

If further reductions are necessary, the following procedures must be used to identify those employees who will receive layoff notice.

3. **Step three: identifying employees for layoff notice.** Before layoff notice is given to any regular, continuing employee, the reduction in force unit president or vice president responsible for the reduction decision will:
 - A. Determine, by department or reduction in force unit, which positions are deemed subject to the reduction in force work plan. If there are multiple positions within the unit with the same job title/pay grade, then the employees with the greatest skills, knowledge and ability to perform the available work will be retained. If all incumbents are equal in skills, knowledge and ability then, the employee with the least University

seniority in the affected job title/pay grade will receive layoff notice. Include the name of the incumbent on the reduction in force organizational plan.

- B. For each position selected the criteria for selecting the employee who will receive layoff notice.
- C. Contact Human Resources to generate the appropriate layoff notice for affected employees.

Step four: required layoff notice compensation.

All regular, continuing employees identified for layoff must be given written notice.

The length of University seniority on date of layoff notice will determine the amount of layoff notice compensation and the corresponding required notice prior to layoff follows - employees subject to the reduction will not need to work following the effective date:

- Less than six months, no notice required
- Six months or more, 90 days of notice compensation

Effective date of layoff

An employee, will be considered laid off and separated from employment with the University effective the last day of the layoff notice.

Reduction in Force: Benefits

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The following provisions apply to Western Michigan University benefits which are affected when an employee receives layoff notice.

Annual leave

1. As of the effective date of layoff, any remaining annual leave balance is subject to the annual leave-separation and retirement provisions in the employee handbook. Employees who are subsequently rehired or recalled within one year from the layoff notice date will be restored to the length of service status from their original hire date.

Sick leave

Upon effective date of layoff, sick leave balances are frozen. Sick leave balances are reinstated if an employee is recalled or rehired within one year of their layoff notice date.

Group health and life insurance

1. On the effective date of layoff, an individual may elect to continue, at their expense:
 - o Health insurance coverage under the provisions of COBRA; and
 - o Life insurance, by converting their group life insurance to an individual policy through the University's life insurance carrier.
2. An employee who is recalled to a benefits-eligible position and whose group insurance had been discontinued will have 31 days to enroll in University benefits.

Long-term disability

Long-term disability insurance will be discontinued on the effective date of layoff.

Retirement program

University contributions are discontinued on the effective date of layoff, but the employee may make contributions directly to the vendor.

Retirement eligibility

An employee must have reached the necessary age and accumulated the necessary years of service (see retiring from WMU in the employee handbook) as of the last day worked to

qualify for University paid retirement benefits. If the employee is recalled or rehired within one year of their layoff notice date, the provisions and terms of their University retirement plan, including levels of University contributions, will be re-established according to their eligibility defined by the hire date prior to the layoff notice.

Tuition discount and tuition remission

1. **Tuition discount** benefits (for employees) continue throughout the layoff notice period and the recall period, under then-current tuition discount plan provisions (see Tuition Discount and Remission, Policies and Procedures Manual Section 16), provided:
 - The employee meets all other tuition discount eligibility criteria.
 - The employee held a benefits-eligible position at the effective date of layoff.
 - The employee registers for class(es) prior to the end of the recall period.
 - The first day of the semester/session for which the employee is registered occurs prior to the expiration of the recall period.
 - When the recall period ends, tuition discount benefits cease.
2. **Tuition remission** benefits (for spouse and dependent children) continue throughout the layoff notice period, the recall period, and beyond the end of the recall period, under then-current plan provisions (see Tuition Discount and Remission, Policies and Procedures Manual Section 16), provided:
 - The employee and dependent meet all other tuition remission eligibility criteria.
 - The employee held a full-time benefits-eligible position at the effective date of layoff.
 - The dependent initially registers for classes prior to the end of the employee's recall period.
 - The dependent continues enrollment at least part-time in consecutive academic years, beginning no later than the end of employee's recall period.

Reduction in Force: Definitions

POLICIES AND PROCEDURES MANUAL SECTION 11

1. **University seniority**—An employee's university seniority shall be defined as the length of continuous regular employment with Western Michigan University since the last hiring date.
2. **Essential open positions**—Those positions authorized by the divisional vice president to be filled through temporary or permanent reassignment during a reduction period, and which are not subject to the posting requirements of the job opportunity program.
3. **Job title/pay grade**—The staff compensation system job title or pay grade assigned to the position after it has been evaluated by Human Resources.