

VANDERBILT UNIVERSITY AND MEDICAL CENTER

HUMAN RESOURCES POLICIES AND PROCEDURES

SUBJECT: Reduction-in-Force Policy POLICY #: N/A
EFFECTIVE DATE: February 18, 2000 (revised May 1, 2008)

POLICY

While Vanderbilt strives to provide a stable and secure environment in which to work, under certain circumstances, it may be necessary to eliminate staff positions due to budgetary needs, program reductions, reorganization, or other business needs. This policy establishes a process for the position elimination of regular full-time and part-time positions at the University and Medical Center. This policy cannot be used to address issues of unacceptable job performance or misconduct as these issues are covered by other policies.

Exclusions: Staff **not** covered by this policy includes:

1) staff whose positions are funded by sponsored funds (grants), 2) staff on Written or Final Performance Improvement Counseling (PIC) at the time of notice of position elimination, 3) temporary/PRN staff, staff in term positions 4) **exempt (salaried) staff who are highly compensated** 5) staff covered by the Labor Contract Agreement, which are governed by the language in that agreement and 6) seasonal Lay-Offs.

The aforementioned staff not covered by this policy could be eligible for rehire and may apply for posted positions within Vanderbilt.

Definitions

Position Elimination: The elimination of a budgeted position(s) from the home department or cost center where the position was funded.

Regular Layoff: When staff are displaced by the elimination of a position, and are not transitioned into a similar vacant position within the notification period, they are considered to be in a regular layoff status with no expectation of rehire into the current position.

Seasonal Layoff: Some departments lay off staff on a temporary or seasonal basis, in accordance with their staffing needs. Seasonal layoffs, with the expectation of rehire into the position within four months, are not covered by this policy.

Temporary/PRN: Temporary positions are assignments for a specific, time-limited duration or on an as needed basis. PRN positions have no regularly scheduled hours/shifts, and the staff member may be called upon as the need arises on an intermittent basis. For additional information regarding temporary

staffing, please contact Vanderbilt Temporary Services (VTS) or Clinical Staffing Resource Center (CSRC) <http://hr.vanderbilt.edu/hrdepts/employeeguide.htm>
<http://www.mc.vanderbilt.edu/root/vumc.php?site=staffing>

Term Position: Term positions are expected to exist for longer than six months but no longer than one year. Term staff affected by position elimination are terminated at the end of the notification period.

Highly Compensated Staff: Exempt positions paying \$100,000.00 or more. Position eliminations for highly compensated staff above must be approved by the department head or administrator.¹

Sponsored Funds (Grants): Positions funded by sponsored funds or grants are covered by the conditions of the specific funding and may have a defined end date. For additional information regarding these positions, please contact the department Employee Relations Representative.

Positions covered by the Labor Contract Agreement: Positions covered by the Labor Contract Agreement are governed by the language in that agreement for handling position eliminations, layoffs, recall procedures, etc. For additional information regarding the Labor Contract Agreement, please contact the Employee Relations Representative for the department.

Priority Status: Staff members affected by position elimination who are covered by this policy are granted priority applicant status. While in this status, staff are given priority consideration to interview for posted positions within Vanderbilt as long as the staff member meets the basic qualifications for the position and expresses an interest by applying for a specific position².

The staff member retains this status during the notification period and during the first 90 days of the Regular Lay-off period.

PROCEDURE

Departments are encouraged to look for alternatives to an imposed reduction-in-force whenever possible. Alternative strategies to consider include, but are not limited to, reduction of overtime, reduction of CSRC and VTS usage, a hiring freeze, elimination of vacant positions (posted to job list for current recruitment), reduced work hours and elimination of positions through attrition. However, positions may still need to be eliminated due to budgetary needs, program reductions, reorganization, or other business needs. Elimination of filled positions must be approved at the department head or administrator level.

If it is determined that positions need to be eliminated, departments, in consultation with Employee Relations, should follow the process outlined below.

¹ Exception: When there is more than one staff member affected by position eliminations in the same job title and when any of the affected staff members are highly compensated, all the affected staff members including the highly compensated staff member will be eligible for the benefits of this policy. These decisions will be made in active consultation with Employee Relations.

² Basic qualifications are determined by the department and a candidate's qualifications are assessed by Human Resources Recruiting.

A. Identify Positions for Elimination: When determining positions for elimination, the department needs to identify the following:

1. Home department or cost center where the positions are funded
2. Position(s) to be eliminated (job title)
3. Number of positions (full-time and/or part-time equivalents) to be eliminated

B. Determine the Priority of Selection for the Reduction of Filled Positions:

After the department has looked for alternatives to position elimination, filled positions may need to be eliminated. Staff affected by position elimination should be selected according to the criteria below, in rank order:

1. Staff willing to voluntarily transfer or resign
2. Temporary/PRN staff
3. Term staff (employment will be terminated after notification period)
4. Regular staff on Written or Final Performance Improvement Counseling at the time the notice of position elimination (Staff in this status are terminated after the notification period.)
5. Lowest performers, based on two or more of the most recent annual formal performance evaluations. (To use performance as a determining factor, formal performance evaluations must be available on all staff within the department for a minimum of two years).
6. All remaining staff in reverse order of seniority. Seniority is based on the University hire date and pro-rated for periods of part-time employment. (**Example:** A staff member who has worked 20 hours per week for six years has three years of seniority.)
7. The Opportunity Development Center (ODC) will be advised of planned staff reductions in advance and will review for adverse impact prior to final selection.³
8. Before a department notifies staff of a position elimination, approval must be obtained from the department administrator and the department's Employee Relations Representative must be contacted to review the process and to assist in determining the staff to be affected in accordance with this policy. The department Employee Relations Representative will provide seniority validations and assist in the assessment of performance evaluation criteria.

Note: Any variations to the aforementioned process must be approved by the Administrative Review Board. (See the last paragraph of this policy for a description of the Administrative Review Board).

³ Any staff member who feels that their position has been eliminated as a result of discrimination or retaliation should contact the Opportunity Development Center.

GUIDELINES FOR NOTIFICATION AND STAFF TRANSITION

The **Notification Period** is defined as the period of time for which a notice of the position elimination has been provided. The staff member will receive a minimum of 45 days notice of position elimination. The transition period begins the first day following delivery of written notice to the staff member.⁴

A. Staff Transition:

1. The affected staff member is given formal written notice of the position elimination.
2. The department determines if the notice period is a working period or a non-working period. This decision will be made by the supervisor. When the decision is made to not have the staff work during the notification period, staff will still be placed in a paid leave status during this period.
3. Affected staff will be referred as a **priority applicant** to all posted positions within the Vanderbilt system for which they have expressed an interest by completing an application and are qualified. Hiring managers are required to interview all priority applicants who meet the basic qualifications. However, priority applicant status does not guarantee employment and the maximum number of interviews guaranteed under this policy will not exceed 12. The department Employee Relations Representative will provide a list of the staff whose positions have been eliminated to HR Recruiting.
4. After the notification period has ended, staff who have not been placed into another regular or term position within Vanderbilt are defined as **Regular Lay-off**.

B. Regular Layoff

A. Guidelines for Regular Layoff Period: After the 45 day notification period has expired, affected staff:

1. Stop working (if the affected staff member continued to work through the notification period)⁵
2. Staff retain **priority applicant status** and the assistance of a recruiting professional for an additional 90 days.
3. During the Regular Lay-off period, the affected staff member is placed on an approved unpaid leave of absence for up to six months from the last

⁴ Under certain circumstances a Reduction in Force may be subject to additional federal or state statutes and regulations, such as the WARN Act. The Employee Relations representative will coordinate with the Office of the General Counsel as well as other areas as appropriate to ensure compliance with these laws.

⁵ Staff may remain on Regular Layoff Status and work for the University through VTS or CSRC. Opportunities to work through VTS or CSRC will be limited to the needs of VTS for staff to fill its orders.

day worked, or from the end of the notification period. After six months on Regular Lay-off status, the employment relationship will end if no position has been secured. The employment relationship will also end if during the Regular Lay-off status, Vanderbilt is notified that the affected staff member has accepted employment outside of the institution.

C. Separation Pay

An affected staff member on Regular Layoff status who has worked for Vanderbilt at least two years will be given one week of separation pay. Staff with four (4) or more years of service (based on their University seniority date) will receive two weeks of separation pay for the four (4) years plus an additional week for every year beyond four, up to a maximum of 12 weeks. The rate of separation pay will be calculated based on the staff member's most recent rate of pay and the budgeted full time equivalent (FTE) for the position. Staff members who are not covered by this policy or have fewer than two years of service will not be eligible for separation pay as defined in this policy.⁶

Years Of Service	Separation Pay	Benefit Coverage
Less than 2 years	0	Terminates at the end of the regular layoff period (6 months from the end of the 45 day notification period) ⁷
2 - 3+ years	1 week	Same as above
4 years or more	2 weeks plus 1 week per year beyond 4 years; 12 weeks maximum	Same as above

D. Payout of Separation Pay: Separation pay will be paid in a lump sum in the paycheck following the effective date of regular layoff. Separation pay will not be paid if a position is accepted within the notification period with Vanderbilt or outside of the institution.

E. Payout of Vacation and Personal Accruals⁸: Staff member will have the option of receiving appropriate accruals⁹ paid in the paycheck following the effective date of the regular layoff or at the end of employment (6 months from the last day worked).

⁶ The department Employee Relations Representative will calculate the correct separation pay amount. Any exception to the calculation in accordance with this policy must have the approval of the department head or administrator.

⁷ See Section F of this policy as it refers to continuation of benefits (COBRA).

⁸ See Holidays and Personal Days Policy, <http://hr.vanderbilt.edu/policies/hr-006.pdf>

⁹ Sick time is not paid when employment ends at Vanderbilt. (Refer to Policy HR-029 on Sick Time Policy, <http://hr.vanderbilt.edu/policies/hr-029.pdf>).

F. Benefits: University benefits for staff on regular layoff status will be treated according to the procedures established for staff on approved leaves of absence. The affected staff member can pay the employee rate for benefits for the first six months. After that time, under COBRA, the staff member may choose to pay the full premium for certain benefits, including health insurance, for up to 18 months¹⁰ Affected staff should meet with the Benefits Office regarding benefit options. Further:

1. all University benefits will be continued through the remainder of the calendar month in which the layoff occurs
2. the University will honor an approved tuition benefit request for the staff member's dependents during the remainder of the semester for which the student is currently enrolled in accordance with the Education Assistance Programs Policy ([Refer to Policy HR-013](#) on Education Assistance Programs).
3. the University will not provide tuition benefits for the staff member or his or her spouse
4. staff who return to active status within one year, and who meet the conditions of the Bridging Policy ([Refer to Policy HR-007](#) on Bridging), will retain the hire date in effect during the previous consecutive service¹¹.

G. Recall procedures: Staff members affected by position elimination will have the option of being reinstated into their former position if the position is restored within **twelve** months. Recall will take place in reverse order of position elimination. Individuals recalled under this provision will not be required to serve a new initial orientation and evaluation period. [A staff member who rejects an offer of recall will forfeit any remaining benefits of this policy.](#)

H. End of Employment: After six months on Regular Lay-off status, the employment relationship will end if no regular or term position is secured.¹²

ADMINISTRATIVE REVIEW BOARD

The Administrative Review Board will review issues that arise in connection with this policy and make determinations where appropriate. The Administrative Review Board is comprised of a minimum of three members (3) Vice Chancellors

¹⁰ Please contact the Human Resources Benefits Office (322-8330) for any exceptions.

¹¹ The tuition benefit for dependents is an exception to the Bridging Policy. As stated in the Bridging Policy, staff who have a break-in-service longer than **three months** cannot bridge this benefit.

¹² Staff who secure a temporary position with VTS or CSRC may remain continue to be eligible for benefits through the duration of the Regular Layoff Status. Opportunities to work through VTS or CSRC will be limited based on the need.

(or their designees) in following combinations: 2 board members on the University side for reductions in the University or 2 board members on the Medical Center side for reductions in VUMC. The Administrative Review Board will be convened by the Chief Human Resource Officer.

Items to be reviewed include the selection criteria for positions to be eliminated and any appeals of the selection decision. Decisions of the Administrative Review Board regarding reduction in force issues will be final.

Approved by Lenon Coleman, Interim Chief Human Resource Officer

Approved by Lauren Brisky, Vice Chancellor, Administration

Approved by Harry Jacobson, M.D. Vice Chancellor, Health Affairs

This policy is intended as a guideline to assist in the consistent application of University policies and programs for staff. The policy does not create a contract implied or expressed, with any Vanderbilt staff members, who are employees at will. Vanderbilt reserves the right to modify this policy in whole or in part, at any time, at the discretion of the University.