



**THE UNIVERSITY OF
NORTH CAROLINA SYSTEM**

REDUCTION-IN-FORCE PLANNING UNC SYSTEM HUMAN RESOURCES

Rev. March 2025

Agenda

- **Planning**
- **Short-Term Separation Costs**
- **Submitting a RIF Request**
- **Related Topics**

PLANNING

General Timeline

- **Getting Started**

- Establish Timeline, Scope, Logistics for Decision-Making and Rollout

- **Finalizing RIF Plans**

- Staging/staggering of employee separation dates, if applicable
- Approval of RIF Plans by UNC System Office (cannot notify employees until Plan is approved)
- State-funded severance must be approved by OSBM (approval not required before employee notice)

- **Notification of Affected Employees**

- Minimum 30-day written notice for SHRA (can issue notice after System Office approves RIF Plan)
- Outplacement vendor services for employees (optional; no system-wide contract)
- Continue to assess vacancies (waiver of recruitment) to avoid RIF

- **Post-Separation Payouts**

- Up to 4 months past separation date (may equal up to 11 months of pay for long-term employees)
- Notice date may need to be at least 5 months prior to final payout for long-term employees
- Employer contribution to health plan extends for 12 months from separation

Initial Planning and Assessment

- **Continuing Operations v. Discontinued Activities**
 - What is the work that will be continued?
- **Staffing Levels v. Staffing Types**
 - What are the positions you need going forward to do that work?
- **Leveraging Existing Talent v. Identifying Needed Talent**
 - Do you have the staff currently to perform that work (internally or across institution)
- **Assessing Continued Recruitment v. Eliminating Vacant Positions**
 - Which vacancies are essential, and which are redundant to current staff?
- **Short-term Financial Outlay v. Recurring Cost Savings**
 - How much funding is needed for the transitional costs this fiscal year v next year?

Establish RIF Plan for SHRA Employees

- **RIF Plan Scope**
 - Institution-wide
 - School/Division-wide
 - Department-level
- **SHRA RIF candidate selection criteria**
 - Appointment Type
 - Identify affected classifications (including competency levels for SHRA positions)
 - Retain permanent over temporary/time-limited/probationary
 - Relative Efficiency
 - Documented performance/skills to do the continuing work of the organization
 - Total State Service
 - Includes up to five years of military service

Additional Things to Consider

- **Reorganization**
 - When is reorganization more useful than simple elimination of positions/vacancies?
- **Reclassification (and related salary increases)**
 - Continuing work may require reclassification or reassignment of vacancies or current staff
 - May or may not result in classification/level change
 - Possible salary adjustments for additional duties if reclassification is not warranted
 - Do not RIF a position only to reclassify another person into the position you eliminated
- **Time-Limited Positions**
 - Funding-dependent work could be accomplished with time-limited positions up to 3 years
- **Potential Increase in Resignations**
 - Due to additional work requirements
 - Provide retention bonuses/reclassifications/salary increases (perm or temp) for critical staff
 - Due to fear of “the next shoe dropping”
 - Clarify full timeline/plan in initial conversations with constituents and continue to communicate
- **Proximity to Anniversary Dates (Total State Service / Retirement Vesting)**

SHORT-TERM SEPARATION COSTS

SHRA Severance Salary Continuation

- **Service Severance Payment**
 - One to four months of continued pay based on years of state service
- **Age Adjustment Payment**
 - Employees age 40+ receive an additional payment equal to 2.5% of base salary for each full year of age above 39
 - Capped at the total amount the employees received in the service severance calculation.
- **Example: Employee 49.5 yrs old, \$48,000 base salary, 20 years state service**
 - Service Severance: (4 months pay) \$4,000/month * 4 months = \$16,000
 - Age Adjustment: (49-39) = 10 years * 0.025 * \$48,000 = \$12,000
 - Total Severance: \$28,000 paid over 4 months
- **Severance payment period does not count toward total state service and is not subject to retirement contributions**
 - Saving on retirement payment offsets a portion of the expense

SHRA Payouts

- **Paid in final check**
 - Pro-rated longevity final payment
 - Certain accrued bonus leave, up to 240 hrs (6 wks)
 - Accrued vacation leave, up to 240 hrs (6 wks)
- **Paid in severance package (ranges from 1 to 4 payroll months)**
 - Service Severance Payment AND Severance Age Adjustment Payment
 - Canceled if employee returns to temporary or permanent state employment, retires, or declines an offer of state employment
- **Continuing Payment of Health Insurance Premium**
 - Paid for 12 months following separation date
 - Employer contribution to employee health care premium continuation
 - Canceled if employee returns to benefits-eligible state employment or retires
- ***For long-term employees, final check payouts and severance payments could result in up to 11-12 months of base pay that is paid over 4 months***

EHRA Payouts

- **Leave payouts in final paycheck**
 - Certain accrued bonus leave, up to 240 hrs (6 wks)
 - Accrued annual leave, up to 240 hrs (6 wks) – no payout for personal leave
 - Accrued annual/bonus leave payouts could add equivalent of 3 months of pay to final paycheck for long-term employees
- **EHRA Discontinuation**
 - EHRA employees prior to July 1, 2024 may receive a discontinuation working notice of 30-60-90 days based on years of service, or receive a lumpsum payment in lieu of notice
 - EHRA employees July 1, 2024 or later may receive a 30-day working notice, pay in lieu of notice (or administrative leave) and institution may offer up to 60 added days with a signed release of claims
- **Continuing Payment of Health Insurance Premium**
 - Paid for 12 months following separation date
 - Employer contribution to employee health care premium continuation
 - Canceled if employee returns to benefits-eligible state employment or retires
- **Some appointment letters may have a funding contingency clause that will not require a notice/payout**

SUBMITTING A RIF REQUEST

RIF-Related Documents

- **RIF Checklist**
 - Cover page for RIF packet submitted to OSHR that briefly summarizes the case
- **RIF Plan**
 - Explains the purpose of the RIF, steps taken to avoid RIF, and selection process for determining which employee(s) will be RIF'd
 - Include (or attach) table of each employee in the affected classification(s) along with age, TSSD, and last overall performance rating
 - Must first separate temporary employees, probationary employees, and time-limited employees doing comparable work or justify why they are being retained
- **Organizational Chart**
 - Should clearly indicate position(s) in the pool and where they are in the organization
 - If part of a broader reorganization, include both the before and after org charts
- **Severance Calculation Form (excel file)**
 - OSBM excel form that calculates total severance amount
 - Contains date of birth (do not email)

RIF Documentation Preparation

- **RIF documents (PDF)**

- RIF Checklist
- RIF Plan
- Table of reviewed employees (may be included in Plan)
- Organizational Charts
- FileName: RIFMMDDYYYYLASTNAME example: RIF03102025Doe where date is date submitted to System Office

- **Severance Form (Excel)**

- FileName: SEVMMDDYYYYLASTNAME example SEV03102025Doe where date is date submitted to System Office

Submit Documents to System Office

- **Submit via SmartSheet**
- **Types of Submissions**
 - New RIF Submission
 - Follow-up RIF Submission
 - Reporting Employee Notification Date
 - Reporting Change/Cancellation of RIF Action
 - Furlough Request
 - Other
- **System Office Actions**
 - Approval email from System Office sent to campus contact
 - System Office submits documentation to OSHR
 - Severance on state funds requires OSHR/OSBM approval
 - OSHR updates the RIF reemployment priority registry

Related Topics

- **Continuing Placement Activities**
 - Institutions should continue to look for comparable placement positions (waiver of recruitments) while the employees are within their notice period
 - Consideration for employee's placement should allow reasonable ramp-up time for positions (3-6 months)
- **Reduction through Reorganization (RTR)**
 - Alternative program to RIF that allows employees to volunteer to separate with a waiver of claims
 - Receive severance equivalent plus \$5500 toward repurchasing health care
- **Discontinued Service Retirement (DSR)**
 - Alternative to severance; provides a retirement payment to increase employee's retirement benefit
 - Employee must retire rather than be RIF'd (cannot receive severance and DSR)
 - DSR payment is made to the retirement system, not to the employee
- **Furloughs**
 - May be leave without pay or a reduction in hours
 - No advance notice requirement
 - Must report to OSHR
 - Contact System Office to discuss
- **UNC System HR Website Resources**

