Position Elimination, Layoff and Severance Pay (20.083)

Introduction
Under certain circumstance, Brown University will eliminate a position. Employees subject to position elimination are eligible for select transition and/or severance benefits governed by this policy.

Policy Statement
Brown University accomplishes its mission of academic excellence through effective utilization of a knowledgeable and responsible stable work force. Under certain circumstances, however, it may be necessary to eliminate a position.

University Human Resources is available to assist Brown staff employees with career, job search and re-deployment efforts within the Brown community and will make reasonable efforts to assist those whose positions are eliminated in finding suitable alternative employment within the University. It is expected that employees whose positions are ending or being eliminated will accept a comparable position at the same salary, if offered to them. If no such position is available, they may be eligible for severance pay. The decision to provide severance pay is made at the discretion of the appropriate Department Head/Senior Officer, in consultation with University Human Resources.

Severance Pay Eligibility. An employee whose position has been eliminated and are subsequently laid-off may be eligible for severance pay.

- In situations where an employee is to receive severance pay, the payment is made after the employee has ceased active employment.
- Benefits will cease when active employment ends, consistent with existing policy.

Fixed Term Employees. An employee who has a fixed term appointment or whose position is supported by grants, contracts, or other external funding sources are not usually eligible for severance pay when the funding end date for that position occurs.

- An employee in a fixed duration position or in a term appointment must be informed in writing of the funding end date and must be given one month's written notice prior to the end of funding.
- In circumstances where it is not possible to provide one month's advance notice of a layoff, severance pay equivalent to one month's pay is recommended.

Definitions
Severance Pay: Severance pay is the compensation that is provided to an employee who has been laid off due to position elimination. Severance pay is paid according to a schedule based on years of employment with the University and subject to the administrative guidelines governing severance pay.

Appropriate University Management Staff: Appropriate University Staff are defined as the Department Head and/or Senior Officer responsible for position elimination in consultation with staff that may include an HR Generalist, Director of HR Services, the Director of HR for Biology & Medicine, the Director of Labor & Employee Relations and the Director of EEO/AA.

Pay in Lieu of Notice: Pay in lieu of notice is compensation that may be offered to an employee terminated without advance notice. It is a form of severance pay and is subject to the administrative guidelines governing severance pay.
Responsibilities

**Employee:** Upon notification of position elimination, employees are responsible to:

- Contact their Human Resources Representative to seek assistance with career, job search and re-deployment efforts within the University, and
- Comply with the administrative guidelines of this policy.

**Appropriate University Management Staff:** Appropriate University Staff are responsible for the development of position elimination rationale and subsequent recommendation to the Department Head/Senior Officer responsible for the affected department and employees.

**University Human Resources:** University Human Resources, in consultation with the affected department, is responsible in administering this policy.

**Department Head/Senior Officer:** The Department Head/Senior Officer with responsibility for the Department and employee affected by position elimination will make the final decisions on position elimination in consultation with University Human Resources.

Procedures

The elimination of a position is based on the following criteria (in usual order of preference):

1. Position is currently vacant and is not critical to meeting department objectives.
2. Position is filled by an employee in a probationary status.
3. Position is filled, but the funding source ends.
4. Position is filled, but the work is no longer critical to meeting department objectives.

**Position Elimination Recommendation.** The Department Head/Senior Officer must prepare a written rationale for position elimination and review the rationale with an HR Generalist, Director of HR Services, the Director of HR for BioMed (when applicable), the Director of Labor & Employee Relations. Final decisions on position elimination are made by the Department Head/Senior Officer in consultation with University Human Resources and the Director of EEO/AA.

**Minimum Notice.** A minimum of two weeks' written notice should be given to the employee by the Department Head/Senior Officer or other authorized University representative stating that employment with the University will end due to elimination of the employee's position.

**Date of Position Elimination.** The Department Head/Senior Officer or immediate supervisor verifies the date on which the position will be eliminated. When the position elimination will result in the layoff of an employee, University Human Resources advises the Department Head or supervisor on the wording of the letter to the affected employee.

**Workday Administration.** Departments should initiate the termination process in Workday and attach a copy of the layoff letter as soon as the employee has been informed that the position has been eliminated or funding for the position has ended.

**Human Resources, Employee Contact.** Employees whose positions have been eliminated should be directed to contact the Human Resources Department as soon as possible after receiving notification.

**Severance Pay Schedule.** An employee whose position is being eliminated may be eligible for severance pay according to the schedule below:

<table>
<thead>
<tr>
<th>Years of Completed Service</th>
<th>Severance Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>2 Weeks</td>
</tr>
<tr>
<td>2 Years</td>
<td>4 Weeks</td>
</tr>
</tbody>
</table>
Severance pay is based on years of completed service. Key components in administering severance pay follow:

- Completed service cannot count twice in calculating severance pay.
  For example, if an employee has ten years of service and receives twenty weeks' severance, and is then re-hired and works five full additional years and the second position is also eliminated, then the employee is eligible for severance based on only five years of completed service.
- Severance pay is paid according to the employee's normal payroll schedule (weekly, bi-weekly or monthly).
- Active employment is considered to cease when the severance period begins.
- All benefits will cease, including accrual of sick and vacation time, according to existing policy when the severance period begins.
- Health and dental benefits during the severance period are eligible to be continued.
  If COBRA is elected, employees will be billed at the active employee rate, post-tax, following COBRA regulations and guidelines.
- Vacation days accrued up to the time of layoff are payable in the paycheck immediately following the employee's last day of work.
- Severance pay stops effective the first day of reemployment if the laid off employee begins working in another position at Brown during the severance period.

**Special University Privileges.** Treatment of special University privileges follow:

- Employee Education Program. Employees who have been laid off will be permitted to finish a course taken under the Employee Education Program.
- Tuition Assistance Program (TAP). Dependents of employees who are enrolled in the TAP will be permitted to remain covered for the semester in which they were enrolled at the time of layoff so long as the TAP payment has been paid for that semester.
- Loans and debt to Brown. All other loans and debts to Brown must be repaid by the time employees receive their final paychecks.

Policy Owner **Approved by** Vice President for Human Resources

**Contact(s)**
Paul Mancini
Director of Labor and Employee Relations
University Human Resources
Brown Office Building, 4th Floor
Paul_Mancini@brown.edu
401-863-3896