

## Layoffs

- Authority** This Guide Memo was approved by the Executive Director of Human Resources, to whom final interpretation is reserved.
- Applicability** This policy applies to all academic staff and regular staff as defined in Guide Memo 23.1, Definitions, [http://adminguide.stanford.edu/23\\_1.pdf](http://adminguide.stanford.edu/23_1.pdf), except for lecturers, senior lecturers, and Senior Staff employees (see Guide Memos 22.8, Separation from Employment, [http://adminguide.stanford.edu/22\\_8.pdf](http://adminguide.stanford.edu/22_8.pdf), and 22.13, Senior Staff, [http://adminguide.stanford.edu/22\\_13.pdf](http://adminguide.stanford.edu/22_13.pdf)) and except for employees covered by a collective bargaining agreement. (For policies applicable to employees covered by collective bargaining agreements, refer to the applicable agreement: The Agreement between Stanford University and United Stanford Workers, Local 715, SEIU, AFL-CIO or the Agreement between Stanford University and the Stanford Deputy Sheriff's Association.) While policy statements are applicable to the entire University, including SLAC, some of the specific procedures given here do not apply at SLAC; employees should contact the SLAC Human Resources Department for information relating to the procedural aspects of layoff at SLAC.
- Summary** This Guide Memo outlines Stanford University's policies and procedures for carrying out the temporary or permanent layoff of employees. Section headings are:
1. POLICY STATEMENT
  2. TEMPORARY LAYOFF
  3. PERMANENT LAYOFF

### 1. POLICY STATEMENT

The needs of the University for the services of its employees vary over time. Such changes in need for employees can be due to programmatic changes, to reorganizations, to changes in the ways the University will perform functions or meet its needs, to the cyclic needs for certain services, to needs for economy, to operational needs, to modified plans and/or goals, and/or to reduction and/or reallocation of funding sources, including mandated or discretionary budget reductions. When the University decides to eliminate positions, reduce work force, and/or carry out lesser amounts of particular kinds of work, it may separate employees from the workforce, either temporarily or permanently. Such separations are called layoffs. If a layoff is to be for a period of four months or less, the employee can remain on the payroll in an unpaid "temporary layoff" status. If a layoff is expected to be indefinite or for a period longer than four months, the employee undergoes "permanent layoff" and is separated from employment with the University. An employee permanently laid off is eligible to apply for employment within the University, and may have an employment preference for hiring purposes; see Administrative Guide Memo 22.1, Employment of Regular Staff, [http://adminguide.stanford.edu/22\\_1.pdf](http://adminguide.stanford.edu/22_1.pdf). This Guide Memo 22.16 provides policies and procedures for implementing layoffs.

### 2. TEMPORARY OR SEASONAL LAYOFF

- a. **Definition** — A temporary or seasonal layoff is the removal of a regular staff employee from work for a period not exceeding four months. A temporary or seasonal layoff occurs when, in the judgment of the University, a temporary reduction in the workforce or of a particular kind of work is necessary within a particular administrative unit, work group, or department.
- b. **Selection** — Management of the administrative unit, work group, or department decides which employees are to be placed on temporary layoff. (The Dean of Research will review all cases involving senior research associates or research associates.)

- c. **Notice** – Employees to be placed on temporary layoff should be given as much notice as possible. Except in cases of emergency or in circumstances beyond the University's control, employees should be given two weeks' (fourteen calendar days) notice. Oral notice should be followed as soon as possible with confirming written notice (no later than the actual date of layoff). The written notice must include the employee's social security number, the effective date of layoff, and the date the employee is instructed to return to work. Any change in the date to return to work should also be confirmed in writing.
- d. **Continuity of Service** – There is no break in continuity of University service during temporary layoff.
- e. **Benefits Continuation** – An employee on temporary layoff may continue to receive the University contributions toward health insurance and group life insurance, provided that the employee makes direct and timely payment to the University of the employee's own contributions. Vacation leave and sick leave continue to accrue during the temporary layoff as if regular time had continued to be worked.
- f. **Holidays** – Holiday pay is not continued during periods of temporary layoff unless the period of temporary layoff does not exceed twenty-five calendar days, in which latter case regular holiday pay for the employee's normally scheduled number of hours will be paid upon the employee's return to work.
- g. **Failure to Return to Work** – If an employee on temporary layoff fails to return to work when scheduled to return to work or when recalled to work, the employee shall be terminated unless a leave of absence is requested and approved. Written notice of termination must be given the employee no later than the termination date and must include the employee's social security number, the date of termination, and notice of the employee's right to apply for unemployment compensation benefits.

### 3. PERMANENT LAYOFF

- a. **Definition** – A permanent layoff is the separation from University employment, due to a notice of layoff, of a regular staff employee who has completed the trial period.
- b. **Position Elimination or Reduction** – When in the judgment of the University it becomes necessary within a department, an administrative unit, or a work group either to reduce the workforce or to reduce a particular kind of work, positions may be eliminated or positions may be reduced to lesser percentages of full time. Whenever a reduction is planned which would result in:
  - the elimination of a position,
  - the reduction of a position to less than 75-percent time, or
  - the reduction of a position from regular to non-regular status,and the position is not currently vacant, a potential for notice of permanent layoff exists. Under these conditions, the following policies for identifying and implementing the layoff apply. The process and implementation must be carried out in coordination with the local human resources manager in consultation with Employee & Management Services.
- c. **Policy on Selection for Permanent Layoff** – The University will identify the administrative unit or work group where the permanent layoff(s) will occur. This management decision will not be subject to review.
  - (1) **Reduction of Work Force** – Within the administrative unit, department, or work group, the management will determine those functions or job classifications to be affected by the reduction in work force or of a particular kind of work. This management decision will not be subject to review.
  - (2) **Selection for Layoff** – Within the functions or job classifications affected, temporary and trial-period employees will be terminated before regular staff employees are selected for layoff, provided the employees remaining in the group possess sufficient skills and abilities to do the work required.

- (a) Management will determine the selection of employees for layoff or retention based on its judgment of the current and prospective operational requirements and the employee's performance, skills, abilities, and competence necessary to meet those requirements.
  - (b) When skills, abilities, performance, and competence of employees necessary to meet the current and prospective operations requirements are deemed by the management to be substantially equal, then length of continuous employment with the University and the University's affirmative action commitments will be considered in selecting employees for layoff, reassignment, or retention.
- d. **Determination of Notice of Layoff** – The elimination or reduction of a position as determined above will not result in a notice of layoff if:
  - (1) The position is occupied by an employee still in the trial period in which case the employee undergoes termination during the trial period (Guide Memo 22.14, Trial Period, [http://adminguide.stanford.edu/22\\_14.pdf](http://adminguide.stanford.edu/22_14.pdf)), or
  - (2) The position is occupied by a fixed-term employee whose fixed term of employment concludes at the same time as the position eliminated or reduced, or
  - (3) The position is occupied by a temporary employee, in which case the temporary employee will be terminated, or
  - (4) The position is occupied by an employee who prior to notice of layoff elects to remain an employee of the University in the reduced or any other position obtained, full or part time, regular or non-regular.

Except in those three cases, the elimination or reduction of a position may result in a notice of layoff and in that event the sections below apply.

e. **Notice or Pay in Lieu of Notice -**

- (1) **Notice** – In cases of permanent layoff the department must give at least one month's (e.g., June 15 through July 14) written notice but no more than three months' written notice. When pay is given in lieu of notice, one month is the maximum period for which such payment can be made.
  - (2) **Early resignation** – If an employee resigns after having received written notification of permanent layoff, the balance of the notice period will not be converted to pay. However, the employee, if eligible, remains eligible to receive severance pay in accordance with the terms of this policy and the schedule below. (See section g)
  - (3) **Layoff of Academic Staff** – When layoffs of research associates or librarians occur for programmatic reasons, the employee must be given at least three months written notice. When pay is given in lieu of notice, three months is the maximum period for which such payment can be made. When layoffs of research associates or librarians occur for non-programmatic reasons, such as lack of available financial support, the employee must be given at least one month written notice, or when pay is given in lieu of notice, a maximum of one month's pay.
- f. **Change in Layoff Status** – A notice of layoff to a regular staff employee may be changed in the following circumstances:
- (1) **Deferral of Layoff** – A regular staff employee who is notified of layoff but has not yet been laid off and who subsequently accepts work which is anticipated to last less than six months or accepts a fixed term position of any length will have his/her layoff date deferred to the end of the temporary or fixed term assignment. A letter deferring the layoff must be issued to the employee with the new layoff date. Work can be within the same department or a different department. If the employee resigns after notification of the deferral, he/she can receive severance pay, which will be recalculated to reflect the last day of employment. Severance pay is based on the employee's rate of pay and percentage of full time in the position from which he/she was laid off.

- (2) **Rescission of Layoff** – A regular staff employee who has received notice of layoff but has not yet been laid off and subsequently is retained by the department either in the same, or a substantially equivalent regular, non-fixed term position, will have his/her layoff rescinded. Under these circumstances, the department shall inform the employee by letter that his/her layoff has been rescinded. The employee is no longer in “layoff status,” and will not receive severance pay if he/she resigns. An employee who resigns after receiving a letter of layoff rescission, but before receiving a new notice of layoff, will be considered a “voluntary resignation”. For any future staff reductions, the department should follow the normal notice and layoff procedures of this Guide Memo.

Employees who terminate regular staff employment receive a lump-sum payment at their current rate of pay for their accumulated vacation under the terms described in Guide Memo 22.5, section 2.f.

- g. **Policy on Payment of Severance Pay** – Each eligible regular employee with one year or more of continuous University employment is eligible to receive a severance allowance on the date of permanent layoff from the University in accordance with the Severance Pay Table below, provided a General Release of All Claims and Severance Repayment Agreement is executed.

An employee will not receive severance pay more than once for the same period of service with the University. To calculate future severance pay eligibility for an employee who was previously laid off:

- (1) Determine the severance pay eligibility (in months of base pay) from the table below.
- (2) Subtract the eligibility corresponding to the number of months of severance pay previously received.
- (3) Add back in any months or part months of severance pay previously repaid to the University (see paragraph h. below).

Severance pay is not payable until the expiration of any revocation period in the General Release of All Claims and Severance Repayment Agreement. Severance payment will generally be made on the last day of employment or within five working days after expiration of any revocation period in the General Release of All Claims and Severance Repayment Agreement, whichever is later.

SEVERANCE PAY TABLE

Years of continuous regular University employment <sup>1</sup>	Severance pay eligibility in months of base pay <sup>2</sup>
1 year but less than 2	0.5
2 years but less than 4	1
4 years but less than 7	2
7 years but less than 10	3
10 years but less than 12	4
12 years but less than 14	5
14 years but less than 16	6
16 years but less than 18	7
18 years but less than 20	8
20 years but less than 22	9
22 years but less than 24	10
24 years but less than 26	11
26 years or more	12

<sup>1</sup> When used in this Guide Memo, continuous University employment is the period of employment beginning with the employee’s most recent hire date as a regular staff employee. Reinstatement of hire date after a break in service is described in Section 2. d. of Guide Memo 22.1, Employment of Regular Staff, [http://adminguide.stanford.edu/22\\_1.pdf](http://adminguide.stanford.edu/22_1.pdf).

<sup>2</sup> Base pay means the monthly salary of record and does not include any premium pay (e.g., shift differential, pay for overtime, or supplemental pay). Severance payment will be calculated on the base monthly pay at the time of separation or the average base monthly pay earned over the preceding twelve months, whichever is greater.

**h. Policy on Repayment of Severance Pay –**

- (1) If an employee who has received severance allowance is reemployed by the University as a regular or nonregular employee before the end of the severance pay eligibility period (see Table in Section g.), the employee may retain only that portion of the severance pay equal to the base pay he or she would have earned if not laid off (i.e., only the base pay the employee would have received between the dates of layoff and rehire). The balance of the severance pay is to be repaid in full at the time of reemployment unless a reasonable schedule of repayment and payroll deduction, not to exceed one year in length, is authorized in writing by the employee on a form provided by Employee & Management Services. Severance repayment will be prorated for an employee rehired into a position with a lower percentage time commitment than the position from which the employee was laid off. An employee may request other arrangements, and, if approved, the schedule of repayment will be established by written agreement between the employee and the Director of Human Resources. (In the case of senior research associates, research associates, and all levels of librarians, such other arrangements shall be between the employee and the Provost's Office.)
  - (2) An employee who has received severance pay under the terms of a collective bargaining agreement and is reemployed by the University in a position which is not covered by that collective bargaining agreement shall be considered a new employee with length of continuous service with the University only from the date of reemployment for purposes of any future severance calculation unless the severance allowance is repaid in accordance with h.(1.) above.
- i. **Outplacement Services –** Regular employees whose employment terminates due to layoff (and who are outside the new employee trial period of six months) will be eligible for three months of outplacement services to be used within six months of the date the employee receives written notification of his or her layoff. The outplacement services shall be provided by an outplacement agency designated by the University, in its sole discretion, and the cost for such services shall be borne by the University in an amount to be determined from time to time, with additional amounts, if any, to be paid by the department from which the employee was laid off, in its sole discretion.
  - j. **Grievance –** See Guide Memo 22.10, Regular Staff Grievance Procedure, [http://adminguide.stanford.edu/22\\_10.pdf](http://adminguide.stanford.edu/22_10.pdf), for the exclusive procedure for determining any employee claims that the management has failed to adhere to these or any other University policies in respect to a layoff from University employment.