2.1.17 LAYOFFS

Last updated on: 

Formerly Known As Policy Number: 
22.16

This Guide Memo outlines Stanford University’s policies and procedures for carrying out the temporary, seasonal or permanent layoff of employees.

Authority:
Approved by the Vice President for Human Resources.

Applicability:
 Applies to all academic staff and regular staff employees as defined in Guide Memo 2.2.1: Definitions[1]. Lecturers, Senior Lecturers, and Senior Staff should refer to Guide Memo 2.1.9: Separation from Employment[2], and Guide Memo 2.1.14: Senior Staff[3]. For policies that apply to employees covered by a collective bargaining agreement, refer to the agreements at Labor Relations & Collective Bargaining[4]. While policy statements apply 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. Trial period and contingent (temporary and casual employees) are not eligible for layoff benefits.

1. Policy Statement

Layoffs may be temporary or permanent, and may occur because of budgetary reasons, lack of work, reorganization, or redefinition of the university’s or the department’s needs. The university shall determine when layoffs will occur, the administrative unit, department, or work group in which the layoff will occur (i.e., the layoff unit), and which position(s) are subject to layoff. Such decisions are not subject to review. The layoff process and implementation must be carried out in coordination with the local human resources manager with the approval of Employee & Labor Relations.

2. Definitions

a. 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 layoff unit. There is no break in continuity of university service during temporary or seasonal layoff.

b. A permanent layoff is the separation from university employment of a regular staff employee who has
completed the trial period due to:

1. the elimination of a position, or
2. the reduction of a position to less than 75% time, or
3. the reduction of a position from regular to non-regular status.

3. Layoff Notice

a. Temporary or Seasonal Layoff
   1. Employees designated for temporary or seasonal layoff should be given at least two weeks’ (14 calendar days’) notice in advance of the layoff date, except in cases of emergency or in circumstances beyond the university’s control. If notice is provided orally, it should be followed with confirming written notice by no later than the actual date of layoff.
   2. The written notice must include the effective date of layoff and the date the employee is instructed to return to work. Any change to the terms in the layoff notice should also be confirmed in writing.

b. Permanent Layoff
   1. Notice or Pay in Lieu of 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.

c. Early Resignation: If an employee resigns after receiving written notification of permanent layoff and prior to the effective date of layoff, the balance of the notice period will not be converted to pay. However, the employee remains eligible to receive severance pay in accordance with the terms of this policy and the schedule below (see section 6).

d. Layoff of Academic Staff-Research and Academic Staff-Libraries
   a. 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.
   b. 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’s written notice, or when pay is given in lieu of notice, a maximum of one month’s pay.

e. Change in Layoff Status: Notice of layoff to a regular staff employee may be changed in the following circumstances:
   a. Deferral of Layoff: A regular staff employee who is notified of layoff but has not yet been laid off and who subsequently accepts work that is anticipated to last less than six months will have their layoff date deferred to the end of the temporary assignment. Work can be within the same department or a different department. A letter deferring the layoff must be issued to the employee with the new layoff date. Each layoff can be deferred one time only. If the employee resigns after notification of the deferral, they 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 they were laid off.
   b. 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, benefits-eligible position, will have their layoff rescinded. Under these circumstances, the department shall give written notice to the employee that their layoff has been
rescinded, after which the employee is no longer in "layoff status," and will not receive severance pay if they resign. An employee who resigns after receiving a letter of layoff rescission will be considered a "voluntary resignation," insofar as the employee has not received a new notice of layoff. For any future staff reductions, the department should follow the normal notice and layoff procedures of this Guide Memo.

c. **Rehire in a Different Department:** A regular staff employee who has received notice of layoff but has not yet been laid off and subsequently is hired by any Stanford University department in a regular, benefits-eligible position will not receive severance pay. The position selected for layoff will still be eliminated or reduced. The employee will serve a layoff trial period as described in Guide Memo 2.1.15: Trial Period [5].

Back to top

4. **Benefits and Time Off**

a. **Medical Plan Coverage:** Stanford will continue its contribution to a laid off employee’s medical plan for the employee and their enrolled dependents during the first three months after layoff, provided the employee completes the necessary medical coverage selection within the required timeframe and subject to prompt payment of any required contributions by the employee. The laid off employee is required to pay the full cost of the plan coverage, plus the administrative fee for coverage, after the first three months of COBRA coverage. For temporary or seasonal layoffs, the university will make contributions during the layoff period (up to four months).

b. **Dental and Vision Coverage:** The laid off employee pays the full cost of COBRA coverage, plus administrative fees, for dental and vision, beginning with the first day of COBRA eligibility. The university makes no contribution.

c. **Vacation and Sick Leave Accruals:** A regular staff employee who has received notice of layoff may accrue vacation and sick leave in any month in which the employee receives pay, unless the employee is on terminal vacation. During temporary or seasonal layoff, vacation and sick leave accrue as if the employee were continuing to work regular time (please see Guide Memo 2.1.6: Vacations [6] and Guide Memo 2.1.7: Sick Time: Regular Staff Employees, Regular Academic Staff-Research and Regular Academic Staff-Professional Librarians [7]).

d. **Floating Holiday/Personal Time Off:** A regular staff employee who has received notice of layoff but has not yet been laid off will have floating holiday hours and personal time off made available on January 1 in accordance with Guide Memo 2.1.13: Paid Holidays [8] and Guide Memo 2.1.8: Miscellaneous Authorized Absences [9], unless the employee is on terminal vacation.

e. **Holiday Pay/Time Off:** A regular staff employee who has received notice of layoff may receive holiday pay for any month in which the employee receives pay, and in which the employee is on paid status preceding and the day following the university designated holiday, unless the employee is on terminal vacation. When the employee is on a temporary or seasonal layoff period not exceeding 25 calendar days, regular holiday pay for the employee's normally scheduled number of hours will be paid upon the employee's return to work (link to Guide Memo 2.1.13).

f. **Outplacement Services:** Regular staff employees whose employment terminates due to permanent layoff will be eligible for three months of outplacement services to be used within six months of the date the employee receives written notification of their 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 and approved by the Vice President of Human Resources (or designee).
5. Selection for Layoff

a. **Temporary or Seasonal Layoff:** Management of the administrative unit, work group, or department decides which employees will be placed on temporary or seasonal layoff. The Dean of Research will review all cases involving senior research associates or research associates.

b. **Permanent Layoff**

1. Prior to providing notice of layoff to a regular staff employee within the layoff unit, the university should consider terminating temporary and trial period employees, provided the employees remaining in the layoff unit possess sufficient skills and abilities to do the work required. The elimination or reduction of a position as determined above will not result in a notice of layoff if:
   a. The position is occupied by an employee still in the trial period, in which case the employee undergoes termination during the trial period (see Guide Memo 2.1.15: Trial Period), or
   b. The position is occupied by a fixed-term employee whose fixed term of employment concludes at the same time as the position is eliminated or reduced, or
   c. The position is occupied by a temporary employee, in which case the temporary employee will be terminated, or
   d. The position is occupied by an employee who accepts alternate university employment prior to the effective date of the layoff.

   Except in the above four cases, the elimination or reduction of a position may result in a notice of layoff.

b. Management will determine the selection of employees for layoff or retention based on its judgment of the current and prospective operational and performance requirements in the layoff unit, and whether the affected employee’s demonstrated performance, knowledge, skills, and abilities meet those requirements.

c. When management deems that the performance, knowledge, skills, and abilities of employees necessary to meet the current and prospective operational and performance requirements are 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. **Failure to Return to Work:** If an employee on temporary or seasonal layoff fails to return to work when scheduled to return to work or when recalled to work, the employee’s employment shall be terminated unless a leave of absence is requested and approved in advance of the return date. Written notice of termination must be given to the employee no later than the termination date and must include the date of termination and notice of the employee’s right to apply for unemployment compensation benefits.

e. **Reemployment from Layoff Status:** An employee who has received notice of permanent layoff and who applies for other employment within the university will have an employment preference for hiring purposes (see Guide Memo 2.1.2: Recruiting & Hiring of Regular Staff).

6. Severance Pay

a. Each eligible regular staff employee with one year or more of continuous university employment is eligible to receive severance pay on the date of permanent layoff in accordance with the Severance Pay Table below, provided a signed *General Release of All Claims and Severance Repayment Agreement* is
executed and the Agreement’s revocation period has expired. Severance payment generally is 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.

b. 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 partial months of severance pay previously repaid to the university (see
Section 6(c)).

For purposes of any future severance calculation for a subsequent layoff, an employee who has
received severance pay under the terms of a collective bargaining agreement is reemployed by the
university in a position that 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
unless the severance allowance is repaid in accordance with Section 6(c).

Severance Pay Table

<table>
<thead>
<tr>
<th>YEARS OF CONTINUOUS REGULAR UNIVERSITY EMPLOYMENT1</th>
<th>SEVERANCE PAY ELIGIBILITY IN MONTHS OF BASE PAY2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year but less than 2</td>
<td>0.5</td>
</tr>
<tr>
<td>2 years but less than 4</td>
<td>1</td>
</tr>
<tr>
<td>4 years but less than 7</td>
<td>2</td>
</tr>
<tr>
<td>7 years but less than 10</td>
<td>3</td>
</tr>
<tr>
<td>10 years but less than 12</td>
<td>4</td>
</tr>
<tr>
<td>12 years but less than 14</td>
<td>5</td>
</tr>
<tr>
<td>14 years but less than 16</td>
<td>6</td>
</tr>
<tr>
<td>16 years but less than 18</td>
<td>7</td>
</tr>
<tr>
<td>18 years but less than 20</td>
<td>8</td>
</tr>
<tr>
<td>20 years but less than 22</td>
<td>9</td>
</tr>
<tr>
<td>22 years but less than 24</td>
<td>10</td>
</tr>
<tr>
<td>24 years but less than 26</td>
<td>11</td>
</tr>
<tr>
<td>26 years or more</td>
<td>12</td>
</tr>
</tbody>
</table>

c. Repayment of Severance Pay

1. If an employee who has received severance pay is reemployed by the university as a regular benefits-
eligible employee before the end of the severance repayment period (see Table in Section 6(b)), the
employee may retain only that portion of the severance pay equal to the base pay they would have
earned if not laid off (e.g., 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 the employee authorizes and the university approves a reasonable schedule of
repayment and payroll deduction, not to exceed one year in length, in writing on a form provided by
Employee & Labor Relations.
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 Vice President for 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. **Effect of Terminal Vacation on Severance Repayment**: If the laid off employee elects to take terminal vacation as described in Guide Memo 2.1.6: Vacations [6], the severance repayment period begins on the first work day following the terminal vacation period.

---

7. **Grievance**

Involuntary termination due to layoff is subject to Guide Memo 2.1.11: Grievance Policy [11]. Only the decision to select the particular employee for layoff can be grieved.

---

**Footnote(s):**

1 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 2.1.2: Recruiting & Hiring of Regular Staff [10].

2 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 is calculated on the base monthly pay at the time of separation or the average base monthly pay earned over the preceding 12 months, whichever is greater.

---

**Source URL (modified on 01/12/2018 - 15:22):** https://adminguide.stanford.edu/chapter-2/subchapter-1/policy-2-1-17

**Links**