

July 28, 2016

To: Business Officers, Managers and Supervisors

Re: Layoffs and Severance Payments

Effective FY 2016/17, severance payments owed to employees as a result of indefinite reduction in time or indefinite layoff will be funded by the campus, rather than the department/fund source(s) from which the employee is normally paid.

Severance Eligibility

Policy-covered (non-represented) Professional and Support Staff (PSS) employees are eligible to receive severance pay in the amount of one (1) week of pay for every completed year of service from their most recent date of hire, up to 16 weeks' pay.

Policy-covered (non-represented) Manager and Senior Professional employees may be provided one month of pay for each completed year of service from their most recent date of hire, up to six months' pay.

For represented staff, eligibility for severance pay is determined by the Layoff Article of the collective bargaining agreement for each bargaining unit. Following is a list of current eligibility rules.

Bargaining Unit	Severance
CX, EX, SX, K5	Yes, if waive recall/rehire rights
DX	Yes
HX, RX, TX	Full Severance, if waive recall/rehire; otherwise reduced severance
NX	N/A
PA	N/A

Layoff Approval Process

When an organizational unit intends to reduce or terminate a career staff employee's appointment due to budgetary or operational reasons, the unit is required to submit to Employee and Labor Relations (ELR) a completed Layoff Proposal form (applicable to either represented or non-represented staff), a draft Notification of Layoff letter, and a draft Employee Election for Severance form (if applicable). Forms and sample letters are available on the [HR website](#).

The Proposal is reviewed for compliance with policy and/or collective bargaining agreement provisions, and forwarded to the Equal Employment Opportunity/Affirmative Action Planning (EEO/AAP) Department for review and approval (if appropriate).

Once the proposed action has been reviewed and approved by ELR and EEO/AAP, ELR reviews and approves the draft Notification of Layoff letter and Employee Election for Severance form (if applicable), and provides approved documents to the requesting department, with copies to the Control Unit.

Once the department head or supervisor issues the Notification of Layoff letter (and Employee Election for Severance form, if applicable), with appropriate proof of service, copies should be distributed as noted on

the letter/form. If an eligible represented employee elects severance, a copies of that signed form should also be distributed as noted on the form.

Layoff Implementation

Departments are responsible for processing terminal pay and severance payment for their employees. It is essential that departments use the correct Separation Reason and DOS codes when processing layoffs.

For indefinite layoffs, appropriate reason codes are:

Separation Code	Separation Reason	Used When	Possible Units
CA	Layoff with recall/rehire rights	Employee was eligible for, but did not elect severance	CX, EX, HX, K5, RX, SX, TX
		Employee was not eligible for severance, but was eligible for recall/rehire	PA, NX
		Employee was not eligible for severance due to length of service, but was eligible for recall/rehire	CX, EX, HX, K5, RX, SX, TX
CG	Layoff with Severance	Employee received full severance	99, CX, DX, EX, HX, K5, RX, SX, TX, K5
CH	Layoff with Severance & Rehire/Recall Rights	Employee elected reduced severance and retention of rehire/recall rights	HX, RX, TX
CI	Layoff, no severance or recall	Employee not eligible for severance due to length of service AND not eligible for rehire/recall	99, DX

Severance payments due to layoffs and reduction in time should be assigned DOS code **ITS**. These payments should be charged to fund 19900, except for layoffs of staff in Auxiliaries and Self-Supporting enterprises, which should be charged to from fund 69992. [They should be applied to the departmental activity code and the appropriate function, and may also be assigned cost center or project codes.]

Reimbursement of Severance Costs

Following payment of severance, requests for reimbursement should be submitted to Financial Planning and Analysis (FPA) via Employee & Labor Relations (ELR). ELR will confirm eligibility for reimbursement and forward the requests to FPA. FPA will then process BEAs through UCRFS to move funding to the departments to cover approved costs.

Please note that this central funding ONLY applies to severance payments due to layoffs and reductions in time, and does not apply to payment in lieu of notice or to severance resulting from negotiated separation agreements arising from employee conduct or performance issues.

If you have any questions about this change, please contact Elizabeth Sanchez in ELR at Elizabeth.sanchez@ucr.edu or extension 2-1414.