

## **WORK FORCE REDUCTION AND JOB ELIMINATION POLICY FOR STAFF EMPLOYEES**

The purpose of this policy is to provide guidelines and procedures for implementing a reduction in force that affects staff employees of Moravian University.

### **POLICY:**

Moravian University highly values the contributions of its employees and attempts to provide continuous regular employment. However, in the event it becomes necessary for the University to reduce its workforce or eliminate work due to economic conditions, programmatic considerations, outsourcing, or other circumstances, this policy sets forth procedures to guide the fair and equitable treatment of eligible regular full- and part-time staff employees. Moravian University does not discriminate against any employee and adheres to its Equal Opportunity, Harassment, and Non-Discrimination Policy in identifying employees for reduction in force or elimination of work.

### **PROCESS:**

Before announcing or implementing a reduction in force or elimination of work that results in the departure of an employee, the department will review its plan with Human Resources. The plan must have the approval of Human Resources and subsequently, the approval of the University leadership prior to implementation.

When economic conditions, programmatic considerations, outsourcing, or other circumstances necessitate a reduction in force, the job of the individual(s) performing the work functions or activities will be terminated and the individual may be separated from service at Moravian. When reductions in force are necessary and multiple employees perform the same work, the determination will be made on the basis of a comprehensive evaluation of the employee's work history at the University. Criteria used to determine which employees to retain will include, among other things: (1) operational needs of the University to meet the mission, (2) qualifications and demonstrated ability, and (3) overall cost savings.

### ***Eligibility:***

An employee is eligible for benefits under this policy if, at the time their position is eliminated, the employee:

- Holds a regular budgeted position that is full-time or part-time and is not in a conditional status. This policy excludes part-time coaches, temporary positions, graduate assistants, and any externally funded positions;
- Has at least one full year of continuous service;
- Is an active employee or on an authorized leave of absence (such as FMLA or Sabbatical); individuals on long term disability are not eligible for benefits under this policy;
- Continues working through the end of the Notice Period (unless the University determines to pay such employee through the Notice Period in lieu of working); and
- Has not been able to secure other employment inside the University by the end of the Notice Period.

An employee is not eligible for benefits under this policy if, prior to the end of the Notice Period, their employment is terminated for cause or unsatisfactory performance, if they voluntarily resign, or if they refuse an offer of comparable employment with the University.

If an affected full-time employee is only able to secure a part-time position at the University, the severance benefits will be prorated accordingly. (See consideration of available positions section).

If an affected employee is only able to secure a temporary position at the University, the severance benefits will commence at the end of that temporary position, provided the affected employee has not secured a regular position. The severance payment will be based on length of service and salary in the employee's former position at the end of the original Notice Period.

### ***Consideration of Available Positions:***

Affected employees will be given consideration for any available positions at the University based on skills, experience, educational background, and past performance. The primary responsibility for locating a new position either within or outside the University shall reside with the affected employee.

### ***Notice Period***

It is important that employees affected by a reduction in force or elimination of work receive accurate and timely information from their supervisor/Human Resources as far in advance as possible regarding the date their employment at the University will end. Therefore, affected employees will be given written notification at least two (2) weeks prior to the termination of employment unless a longer period of notice is legally required. During this Notice Period, an employee will continue to receive their base salary rate in effect on the date the Notice Period begins. It is the University's discretion to decide whether or not the employee will continue to work through the Notice Period. If the University determines that the employee will continue to work through the Notice Period, the University will lay out specific performance parameters and expectations.

### ***Notice Period Payment and Benefits***

#### **Payment for Accrued but Unused Time Off**

The affected employee will be compensated for any accrued but unused vacation hours, if applicable, for which they are eligible. No additional vacation or other paid time will accrue during the severance payment period referred to below.

#### **Health Care, Dental and Vision Continuance**

Health, dental and vision benefits will continue to be available through the last day of the month in which the Notice Period ends.

#### **Retirement Contribution**

The University will pay retirement contributions for which the employee is eligible through the Notice Period.

#### **Payroll Deductions and University Property**

Any outstanding balances paid through the University's payroll deduction plan will be deducted from the employee's final paycheck.

Final separation will follow normal operating procedures specific to the collection of university related property.

### *Severance Payment and Benefits*

Should the employee continue employment through the Notice Period (or is otherwise compensated), and has not been able to secure other employment inside the University, they may be eligible to receive payment beginning at the end of the Notice Period and continuing during regular University pay periods through the end of the designated severance period *provided the employee has signed (and not revoked) a SEPARATION AGREEMENT AND RELEASE prepared by the University.*

This payment will be based on the following: One week for each year of completed, continuous service in a budgeted position up to a maximum of twenty (20) weeks. This payment will be calculated at the salary rate in effect at the end of the Notice Period.

The following is a synopsis of benefits accompanying the severance payment, which are contingent on the employee having *signed (and not revoked) a SEPARATION AGREEMENT AND RELEASE prepared by the University.*

- Health Insurance: In the event that the affected employee elects and is otherwise eligible to continue health insurance coverage under the provisions of COBRA, they will become responsible for the full amount of the premium at the end of the month in which the Notice Period has ended, at the regular group rates plus 2%, until the period of COBRA eligibility ends.
- Health Savings Account: Health Savings Accounts (HSA) are owned by the employee. Employee and employer contributions will cease at the end of the month in which the Notice Period has ended.
- Dental & Vision: In the event that the affected employee elects and is otherwise eligible to continue dental and vision coverage under the provisions of COBRA, they will become responsible for the full amount of the premium at the end of the month in which the Notice Period has ended, at the regular group rates plus 2%, until the period of COBRA eligibility ends.
- Life Insurance Plan: Group life insurance may be converted to an individual policy at the end of the month in which the Notice Period has ended. The University will maintain coverage through that time.
- Long-Term Disability Insurance Plan: Coverage under the University's group Long-Term Disability Insurance Plan will end at the end of the last work day.
- Flexible Benefits Program: Continuation at the current level of benefits through the end of the month in which the Notice Period has ended.
- Tuition Assistance Programs:
  - Tuition Remission (Dependents) - If a dependent child has applied for admission

to Moravian, or the dependent child, if applicable, is enrolled as a matriculated student at the time of the separation in a certificate or degree program, they will continue to be eligible for benefits as per the following and in accordance with current policy:

- If the parent was employed by Moravian and completed two (2) through five (5) years of employment, the student may complete the current academic year plus one additional academic year of study.
  - If the parent was employed by Moravian and completed six (6) through ten (10) years of employment, the student may complete the current academic year plus two additional academic years of study.
  - If the parent was employed by Moravian and completed eleven (11) or more years of employment, the student may complete the current academic year plus three additional academic years of study.
  - Seminary Students follow the same schedule as above. However, each year equates to 8 courses or units and can be taken in the same year or subsequent years up to age 24.
- If an employee or spouse is presently enrolled in an undergraduate degree program at Moravian or through LVAIC, they will continue to be eligible for tuition benefits through the current semester plus one (1) additional semester.
  - Tuition Exchange (TE) Program (Dependents) - If a dependent child has applied for admission to a TE school, or the dependent child, if applicable, is enrolled as a matriculated student at the time of the separation in a degree program, they will continue to be eligible for benefits as per the following:
    - If the parent was employed by Moravian and completed six (6) through ten (10) years of employment, the student may complete the current academic year plus one additional academic year of study at the TE school (subject to the rules and guidelines of the TE program).
    - If the parent was employed by Moravian and completed eleven (11) or more years of employment, the student may complete the current academic year plus two additional academic years of study at the TE school (subject to the rules and guidelines of the TE program).
    - Seminary Students follow the same schedule as above. However, each year equates to 8 courses or units and can be taken in the same year or subsequent years up to age 24.
  - Tuition benefits are subject to applicable taxes.

## **SOURCE DOCUMENTS**

Administrative & Support Staff Employee Handbook

## **REFERENCED POLICIES**

Employment Separation Policy and Procedures

## SCOPE OF POLICY

- Moravian University**
  - Administration
  - Support staff
- Moravian Theological Seminary**
  - Administration
  - Support staff
- Lancaster Theological Seminary**
  - Administration
  - Support staff

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