REDUCTION IN FORCE OPTIONS

Provided in this document are university-approved human resources methods for addressing budget cuts.

These methods apply generally to unclassified/unrepresented employees, but some may be extended to classified and/or bargaining unit employees. The applicability of each option is defined in the Scope section.

The methods include:

A. Salary Reduction
B. Lay-offs
C. Full-Time Equivalent (FTE) Position Reduction
D. Furloughs

Prior to implementing any of these options, the manager should contact the Human Resources Service Center at 556-6381.

A. Salary Reduction

Definition: Permanent reduction of an employee’s annual base salary affecting employees earning a base salary of more than $100,000.

Scope: Salary reductions may be imposed university-wide or within an employing unit; however, reductions at the unit level must have the explicit approval of the appropriate vice president or senior vice president.

Only unclassified/unrepresented employees would be affected.

(In)Voluntary: Involuntary

Process: Employees earning a base salary of more than $100,000 may have their salary reduced by up to five percent (5%); however, the salary may not be reduced below $100,000. The reduction would be permanent.

B. Lay-offs

What is a layoff? Whenever it becomes necessary for an organization to reduce its work force, the appointing authority may layoff employees in accordance with section 123.321 to 124.327 of the Ohio Revised Code, the rules of the University of Cincinnati and applicable collective bargaining agreements.

Who may be laid off at the University? All university employees may be laid off.

What review criteria should a department consider in selecting an employee(s) for layoff?

- Seniority
- Employee’s Salary
- Performance
- Employees with less than one year of employment
What is the first step in processing a layoff? You should call the Human Resources Service Center at 556-6381 to discuss with the Human Resources Service Center Director who is assigned to your area.

What paperwork is necessary to layoff an employee? Please contact the Human Resources Service at 556-6381 to discuss this process.

How is the employee notified he/she has been laid off? If a layoff is approved by the Sr. Associate Vice President of Human Resources/Appointing Officer a notification meeting is scheduled. This meeting will include the employee, supervisor, business person and the Human Resources Service Center Director.

What happens after Human Resources receives the layoff request? The Human Resources Service Center Director assigned to your area will contact you to acknowledge receipt of the Request and to verify all needed information is attached. If all needed information is attached, the Human Resources Service Center Director will review the Request with the Abolishment Committee and the Sr., Associate Vice President of Human Resources.

What happens after the request is approved? The department will be notified of the decision.

When does the Abolishment Committee meet? The Committee meets weekly on Tuesdays at 11:00 a.m.

If the reason for this process is disciplinary action, who should I contact? You should contact the Labor Relations Department at 556-6372.

If the department’s financial situation in the future improves, can the former employee return to the position? Yes.

Is the position abolished? No. The position remains. When the department’s financial situation changes, the department may refill the position.

For Assistance with the layoff process, please contact the Human Resources Service Center at 556-6381 and ask to speak with the Human Resources Service Center Director assigned to your area.

C. FTE Reduction

What is an FTE reduction? An FTE reduction occurs when an employee’s quoted work hours are reduced – for example from 100% FTE to 80% FTE.

Are FTE reductions voluntary or mandatory? For unrepresented, unclassified and SEIU employees FTE reductions can be either voluntary or mandatory. (SEIU employees can accept an FTE reduction or may have bumping rights.)

For all other employees (classified and represented employees), FTE reductions are voluntary.

All other employees: What is the minimum number of hours I can work each week and still be eligible for benefits?
You must work at least 32 hours a week in order to be eligible for benefits (80% FTE).

What review criteria should a department consider in selecting an employee for mandatory FTE reduction?

- Seniority
- Salary
- Performance
- Employees with less than one year of service
- Responsibilities of the position and impact on department’s effectiveness

What paperwork is necessary in order to reduce an employee’s FTE?
Please contact Human Resources to discuss the process. The number is 556-6381.

How should I notify an employee that his/her hours will be reduced?
You should schedule a meeting with the employee and his/her supervisor.

If my department’s financial position improves in the future, can the employee’s FTE be increased?
FTE reductions should be considered permanent. An employee’s FTE can be increased only with the approval of department management.

Is there flexibility in structuring a reduced FTE?
Yes. Voluntary FTE reduction and the scheduling thereof is based upon departmental needs and is subject to supervisory approval.

Does an employee have the ability to change his/her reduced FTE schedule?
Voluntary FTE reduction and the scheduling thereof is based upon departmental needs and is subject to supervisory approval.

If I permit an employee to voluntary reduce his/her FTE, can I later require that he return to 100% FTE?
Yes.

Pay and Benefits
If an employee’s FTE is reduced, how is his/her vacation, sick pay and holiday pay impacted?
The employee’s vacation and sick pay will be pro-rated based upon his/her normal work schedule.

Holiday pay will be pro-rated based upon his/her normal work schedule and is also impacted by the days of the week on which you are scheduled to work. For example, if a holiday falls on a Monday and the employee is not scheduled to work on Mondays, he/she will not receive holiday pay.

If an employee is sick or takes a day of vacation, how will sick and vacation hours be counted?
Vacation and sick pay will be pro-rated based upon the employee’s normal work schedule.
If an employee’s FTE is reduced how will his/her Life Insurance and Long Term Disability be impacted?
The employee’s life insurance amount and Long Term Disability benefits are based upon the annual base pay. These benefits will be reduced to correspond with the reduced annual base pay.

If the FTE is reduced how will an employee’s Spouse and/or Dependent Child Life be impacted?
The employee’s Spouse and/or Dependent Child Life will be impacted if the Spouse or Child Life Insurance is equal to or greater than the employee’s new, reduced annual salary. In this case, these coverages will be reduced or unavailable.

If the FTE is reduced, how will an employee’s retirement plan contributions be impacted?
The employee’s retirement plan contributions are based upon the annual base pay. These benefits will be reduced to correspond with the reduced annual base pay.

If the FTE is reduced, is the employee still eligible to participate in the university’s 403(b) or 457 plan(s)?
Yes. Employees will continue to be eligible to defer salary into the 403(b) or 457.

How does a reduced FTE impact Tuition Remission eligibility?
As long as the employee works a minimum of 32 hours a week (80% FTE), he/she will continue to be eligible for Tuition Remission on the same basis as a 100% FTE employee.

How does an FTE reduction affect the annual increase?
The annual increase, if any, will be based upon the new, reduced annual salary.

Can an employee apply for positions in his department or another department?
Yes.

If FTE is reduced, is the employee restricted from working elsewhere?
As long as scheduled work times do not conflict and no conflict of interest exists, employees can work elsewhere. The employee must update his/her OAR report.

Can I require employees to attend mandatory meetings held during a time the employee is not scheduled to work?
Yes, however, you may want to consider changing the time and date of the meeting in order to accommodate new work schedules. If you require an employee to attend a meeting on a day he/she is not regularly scheduled to work, he/she must be paid for that time or must be scheduled for a different day off that week. Remember, scheduling is based upon departmental needs and is subject to supervisory approval.

Can I suggest that an employee schedule physician’s appointments on his day off?
Yes. You can encourage employees to schedule appointments, whenever possible, during a time he/she is not scheduled to work.
D. Furlough

**What is a furlough?** A furlough is the placement of an employee in a temporary, non-duty, non-pay status for five consecutive days for budget-related reasons.

**Who may be furloughed at the University?** Unclassified, unrepresented University employees may be furloughed.

**How will employees be selected for furlough?** Supervisors shall attempt to coordinate furlough dates with employees to minimize disruption to services, however, supervisors maintain the right to mandate furlough dates for employees with the approval of the human resources department.

**How often will furloughs occur?** Employees may be placed on furlough no more than once per fiscal year quarter.

**Will the University close for one or more days to observe the furloughs?** No, the University will remain open.

**Must furloughs occur in five day increments?** Yes, employees must take their furloughs in full five-day increments for Fair Labor Standards Act compliance.

**Can a furlough occur in the week in which a holiday occurs?** For payroll and administrative purposes, a furlough shall not occur in a week in which a holiday occurs.

**Will the furlough have an effect on employees’ health benefits and leave earnings?** No.

**Must employees be furloughed in one pay period?** Yes.

**Will employees still be responsible for benefits and other deductions such as the credit union?** Employees are still responsible for credit union and other deductions at the full regular rate.

**May employees substitute accrued leave such as vacation for their furlough?** No.

**What if an employee’s salary is funded by a contract or grant?** The university is committed to a plan that ensures fairness. Therefore, employees supported by contracts and grants will also be furloughed. Only the State portion of the salary savings will be returned to the State.

**What will happen if an employee refuses to take a required furlough?** The employee may be subject to disciplinary action, up to and including termination.

**Can employees receive unemployment benefits to cover the loss of compensation due to the furlough?** No. Employees will not be eligible to receive unemployment benefits to cover the loss of compensation as a result of the furlough.

**Do I have grievance rights regarding the furlough?** The placement of an employee on a furlough does not give rise to any grievance or appeal rights.