

Indiana State University Employee Displacement Guidelines 2018

I. **Purpose**

“Employee Displacement” is an employment action taken to reduce the number of employees in a department or the University overall. The displacement may become necessary due to reduced funding, reorganization, elimination of a position, and/or changed workload. The guidelines do not apply to termination of employment for cause.

The employee displacement guidelines provide consistent treatment when an employee displacement becomes necessary. A decision to displace employees will be reached only after examining other alternatives.

II. **Covered Employees**

The employee displacement guidelines apply to exempt and non-exempt staff employees. Temporary employees and employees funded from grants and contracts may be displaced without following the employee displacement guidelines.

III. **Guidelines**

According to the Indiana State University Handbook (Section 562.4), appropriate consultation will occur with the University President, Vice Presidents, University General Counsel, Executive Director of Administrative Services, Executive Director of Human Resources as well as other appropriate executive staff before any employee displacement decision is made. The Staff Council Chairperson will be advised before the final decision is made to displace a member of the staff employment group. Each department facing the decision to displace an employee will first make an effort to place that employee in another position within the department if possible and appropriate, based on skills of the employee and needs of the department. A university wide internal placement system is discussed below in Part V of these guidelines.

The vice president of the department must approve any anticipated displacement in advance. To avoid delays in the approval process, the department head should contact the appropriate vice president and Human Resources at least four (4) weeks prior to the anticipated employee displacement whenever possible.

The decision to displace an employee shall include, but not be limited to, the following factors:

1. **Appointment Type:**

Regular employees must be retained: employees with temporary, probationary, and time limited appointments with the same classifications should be displaced first. Once the relevant job classification for the displacement has been determined, the department head shall make a decision as to which employee shall be displaced.

- a. Temporary employees in the same or related classifications must be displaced before any employee with a probationary or regular status, provided that a probationary or regular status employee can perform the tasks of the temporary employee.
- b. Staff employees within the three (3) month introductory period will be separated before any employee in the same or a related classification with a regular status, provided that the regular employee can perform the tasks of the introductory employee.
- c. Displacement of employees should be based on the following factors:
 - i. University needs. Determine which positions are most vital to the department in the delivery of services and meeting the University mission.
 - ii. Relative skills, knowledge, and productivity of employees. Personnel files and performance appraisals will be reviewed and considered (see IV. below).
 - iii. Length of service of employees: if two or more employees in similar departmental positions have equal performance, then the determining factor will be length of service.

2. Position Classification:

Comparisons will be made between employees within the same department with the same classification titles.

3. Performance:

The primary components of determining the performance of employees will be the most recent three (3) annual Performance Evaluations, unless the employee has been employed for less than three (3) years, in which case there would only be one or two annual performance evaluations available plus any active disciplinary action for either job performance or personal conduct, documented performance difficulties communicated to the employee, but not rising to the level of disciplinary action or any other documented indicators of performance would be utilized.

4. Impact of the University's Affirmative Action goals:

In accordance with federal guidelines regarding equal employment opportunity/affirmative action, any employee displacement must be reviewed by the effected department(s), Human Resources, and the Office of Equal Opportunity to determine the impact of the employee displacement on the University's affirmative action goals.

IV. Employee Displacement

The director of the department must submit a written request for approval of an employee displacement to the appropriate vice president in his or her area, with a copy to Human Resources. This request must be approved by the appropriate vice president before any employee displacement can be implemented. The written request must contain the following information:

- o The reason(s) for the employee displacement;

- Anticipated date of separation;
- Name(s) of the employee(s) to be separated and justification for the decision;
- A listing of all vacant positions in the department which are the same or closely related;
- Status of recruitment activity for vacant positions which are the same or closely related;
- Efforts the department has made within the department to avoid the displacement of the selected employee;
- A brief explanation why no other action is possible other than Employee displacement;
- Management contact information;
- Current organizational chart of affected department;
- Affirmative action information (i.e. race, gender, age, disability status, veteran's status)

After receiving approval from the appropriate vice president, Human Resources will assist in preparing a written notice to the employee being displaced. If possible, Human Resources personnel will also attend the meeting with the employee to communicate the displacement. The employee should be given at least a four (4) week notice before the displacement occurs. The notice shall contain the following information:

1. The reason for the employee displacement;
2. The effective date of the displacement.
3. Instructions to contact Human Resources to obtain information about:
 - Unemployment insurance eligibility;
 - Retirement system membership and benefit continuation options;
 - Payment of accumulated vacation leave consistent with payment made in other separations.
 - Accumulated sick leave is not eligible to be paid at separation
 - Seeking employment within the University after displacement.
 - The employee must complete the University separation process and turn in all University property prior to the final day of employment,
 - Questions about this process should be directed to Employee Relations at 4114.

There may be situations where, due to the nature of the position, the employee's separation will occur immediately. In this case the employee will be separated from service immediately and compensated for the notice period in lieu of working during the notice period. (See Section VII on Severance Pay Plan.)

V. Internal Placement System

- i. An internal placement system is an attempt to place displaced employees into open positions within the university during the three (3) month period following the date of displacement. The university will consider internal or external candidates for such open positions only if such open positions cannot reasonably be filled with displaced employees. Human Resources will assist in determining whether a displaced employee may be qualified for an open position. Displaced employee(s) will have re-employment rights to the position from which they were displaced or a position of equal or lower pay grade for a period of three (3) months from the date of the displacement.
- ii. Displaced employee(s) that are re-employed in a position of equal pay grade will receive their current hourly rate prior to displacement. Displaced employee(s) who are reemployed in a position that is compensated in a lower pay grade will receive either their current rate or the maximum of the new salary grade, whichever is lower.
- iii. Displaced employee(s) interested in a position that is a higher pay grade (promotion) would be considered for the position along with other internal and external candidates.
- iv. Displaced employee(s) who decline offers for two (2) positions of equal (same salary and hours per week, but not necessarily the same shift) as his/her previous position, for any reason, will have no further re-employment rights.
- v. Displaced employee(s) who decline offers for three (3) positions that are not equal to his/her previous position, for any reason, will have no further re-employment rights. Losing re-employment rights does not mean the displaced employee is not eligible to be rehired at ISU but they will compete with other internal and external candidates for future positions.

VI. Benefit Information

1. Health Coverage: (includes medical, dental and prescription drugs)
Displaced employee(s) are eligible for COBRA coverage paid in full by ISU for the first six (6) months after displacement. COBRA coverage begins on the first of the month following the displacement date. A COBRA application must be completed within thirty (30) days after the displacement. Eligibility for free coverage will end if a displaced employees becomes eligible for health coverage elsewhere.
2. Flexible Spending Account:
Flexible Spending Account contributions will be deducted from the last payroll check. Eligible charges for the flexible account may be used through the last day of the month of the displaced employee's separation. Questions should be directed to Chard Snyder at 1-800-982-7715. The employee has ninety (90) days from the separation date to submit all receipts for reimbursement.

3. Life Insurance:
Life insurance coverage will terminate at the end of the month of the employee's separation effective date. The policy provides a conversion privilege that allows employees to convert the group ISU coverage into an individual plan. This must be done within **thirty (31) days** of the termination of coverage. There is a specific rate sheet and application for conversion - contact Employee Benefits for this information.
4. Voluntary Life:
Voluntary life insurance will terminate at the end of the month of the employee's separation. However, this policy has a portability clause and a conversion clause that allows the displaced employee to continue the coverage by paying the premium directly with the insurance company. Contact Employee Benefits for more information.
5. Voluntary Vision:
Vision coverage will terminate at the end of the month of the employee's separation. The displaced employee will be offered COBRA continuation coverage; information will be sent to the employee's home address within fourteen (14) days of the separation date. COBRA vision coverage is paid by the employee.
6. Long -Term Disability:
Long-term disability coverage terminates upon the employee's separation from ISU. There is no conversion privilege on this coverage.
7. Retirement:
 - a. Hourly (Non-Exempt) Staff: IN/PRS Indiana Public Retirement System www.in.gov/inprs (844-464-6777 (866 GO-INPRS)
 - b. Exempt and Non-exempt Professional Staff: TIAA www.tiaa.org 800-842-2252.
8. Sick Leave: The displaced employee will not be paid for any unused sick leave.
9. Convenience Day (non-exempt staff only): The unused convenience day will be paid to displaced employees.
10. Vacation: Unused vacation balances will be paid to the displaced employee on the final paycheck.
11. ISU Psychology Clinic: The University will pay for up to six (6) visits to the Psychology Clinic for treatment of displaced employees and family members living in their home. These services must be done within six (6) months after displacement.
12. Tuition Fee Waiver:
 - a. Eligible staff members who have applied and been admitted prior to the displacement date may continue to receive the fee waiver for another four (4) consecutive semesters.
 - b. Qualified dependent children currently enrolled will be allowed to complete the balance of ten (10) semesters. Qualified dependent children who have applied and been admitted prior to the employee displacement date must enroll prior to the next semester (fall or spring) and may complete up to ten (10) consecutive semesters with the fee waiver.

- c. Eligible spouse who have applied and been admitted prior to the employee displacement may continue to receive the fee waiver for another four (4) consecutive semesters.

VII. Severance Pay Plan

Severance Pay is available for displaced employees who have completed their introductory period. Introductory period employees who are displaced receive no severance.

	*Minimum Notice	Base Severance	Continuing Severance	Maximum Severance
All Employees	4 week	8 weeks	+1 week per year For each year of service (after the first year of service)	16 weeks

* At option of the university, pay may be provided in lieu of notice.

- Service is calculated using most current hire date.
- Service will be calculated by rounding up service to the nearest year to determine severance pay.
- Severance pay to be calculated using base salary at the time of separation.
- For part-time employees, severance pay will be prorated based on scheduled hours on the notice date.