


Office of the Chancellor
Pennsylvania State System of Higher Education
Procedures and Standards for University Operations

Procedure/Standard Number 2011-06
Nonrepresented Staff Reduction in Workforce and Severance Plan

Approved by:


Chancellor
History:

Date:

November 15, 2011

Revised --

Additional History--

Related Policies, Procedures or Standards: [Board of Governors' Policy 2011-02: Nonrepresented Employee Severance Program](#)

Key Words/Categories: Personnel

Additional References:

I. **Introduction**

PASSHE Universities and the Office of the Chancellor are responsible for workforce planning as part of their strategic planning process. Through this process, it may become necessary to facilitate a reduction in workforce. The Board of Governors has delegated to the Chancellor the authority to develop a Severance Plan as part of workforce planning. These guidelines provide direction in furloughing nonrepresented staff subject to job abolishment at the 14 Universities and the Office of the Chancellor.

II. **Definitions**

- A. **Furlough:** The termination of an employee's employment, either for a specified period of time or permanently, as part of a reduction in workforce. For the purpose of this Severance Plan, the term 'furlough' includes only employees whose employment has been completely separated at the University or the Office of the Chancellor. Employees whose work schedules are reduced, resulting in a reduction in their full-time equivalent (FTE), shall not be deemed eligible for the Severance Plan.

- B. **Job abolishment:** The elimination of a position at the University or the Office of the Chancellor with no intent to fill the position in the future (typically for a minimum of two years).

C. **Severance:** Lump sum payment made to a nonrepresented, furloughed employee whose position is abolished.

III. **Procedure**

A. As part of a reduction in workforce, Universities and the Office of the Chancellor may identify the positions to be abolished. This determination is made based on the necessity for the position and not on the identity of the incumbent or his/her job performance.

B. The University or the Office of the Chancellor, and its Office of Human Resources will determine the effective date of the separation. Employees should be given notice of the furlough date.

C. Severance payments to nonrepresented employees are based on years of credited service. Furloughed employees who participate in this program will be required to execute a release and settlement agreement prepared by the PASSHE Office of Legal Counsel, which releases all past and present claims against PASSHE, one or more of its Universities and its employees acting in their official capacity.

D. Severance will be paid as a lump sum payment based on the following schedule:

Less than 1 year of service	Ineligible
1 to less than 5 years of service	2 weeks base salary
5 to less than 10 years of service	4 weeks base salary
10 to less than 15 years of service	6 weeks base salary
15 or more years of service	8 weeks base salary

IV. **Separation Processing**

The Office of Human Resources should process the furlough pursuant to the usual separation process, e.g., annual leave payout, collect keys, etc. The employee's last day on active pay status should be the separation date.

V. **Position Replacement**

An abolished position shall not normally be recreated for at least two (2) years. Exceptions may be granted by the Chancellor or Chancellor's designee upon the recommendation of the University President.

VI. **Reassignment of Duties and Responsibilities**

If duties and responsibilities are reassigned to other position(s) within the organization, a desk audit should be performed to ensure proper classification of the revised position(s).

VII. **Rehire/Repayment**

Furloughed employees who return to another position in PASSHE within two (2) months from the date of separation, and who received a severance payment under this Severance Plan, shall be required to pay back the severance based upon a week-for-week basis.

For example, if the furloughed employee was eligible for, and received the maximum eight (8) weeks of severance, but was rehired by the same University, the Office of the Chancellor, or another PASSHE institution after three (3) weeks of displacement, the employee would be required to repay the difference of five (5) weeks of severance. Repayment may be processed via payroll deduction.

VIII. **Outplacement Services**

Furloughed employees may apply for vacancies on campus and/or within PASSHE. Additionally, PASSHE will provide outplacement services to furloughed employees.

IX. **Implementation**

All nonrepresented employees who are furloughed on or after July 1, 2011, are eligible to participate in this voluntary Severance Plan. However, should an employee have a separate agreement in consideration that is in excess of what would be due to the employee pursuant to section III above, that employee shall not be eligible for any payments pursuant to Board of Governors' Policy 2011-02: *Nonrepresented Employee Severance Program*, and these procedures and standards.