

## Strategies to Address Budget or Work Shortfall

April 2020

	Unpaid Emergency Layoff	Reduction-in-Force (RIF)	Reorganization through Reduction (RTR)
<b>Type of Action</b>	<p>Emergency Layoff is a temporary mandatory work stoppage (could be 30 days or less) without pay with a defined expectation to return to work.</p> <p><b>Please Note:</b> Any FLSA exempt employee doing any work during an emergency layoff day makes them eligible for a full day's pay. Any FLSA subject employee doing any work during an emergency layoff day must be paid for the time worked.</p>	<p>Permanent separation of an employee whenever it is necessary due to shortage of funds or work, abolishment of a position, or other material change in duties or organization. Requires RIF plan approved by OSHR.</p>	<p>Voluntary employee separation program to enable an agency to restructure or reorganize to gain financial and/or skill set efficiencies and therefore increase agency effectiveness and achieve agency business needs, objectives and goals.</p>
<b>Applicable statute, code, or policy</b>	<ul style="list-style-type: none"> <li>• 25 NCAC 01N.0409</li> <li>• Communicable Disease Emergency Policy (March 2020)</li> </ul>	<ul style="list-style-type: none"> <li>• G.S 126-7.1</li> <li>• G.S. 126-8.5</li> <li>• 25 NCAC 01C .1004</li> <li>• RIF Policy (February 2020)</li> </ul>	<ul style="list-style-type: none"> <li>• G.S. 126-7.1(j)</li> <li>• RTR Policy (October 2016)</li> </ul>
<b>Benefits</b>	<p>Employees remain eligible for State Health Plan. Employer shall pay their contribution and may pay the employee contribution for the month following the layoff, with the provision it will be repaid by the employee.</p>	<p>The State of North Carolina will pay the employer portion of health coverage for up to twelve months following separation.</p>	<p>A payment of \$5,500 will be added to the separation payment that may be used by the employee after resignation to purchase health insurance.</p>
<b>Leave</b>	<p>Employee not paid for accrued leave at the time of the lay-off; vacation and sick leave will continue to accrue and be</p>	<p>Employees will be paid for vacation leave accumulated up to a maximum of 240 hours. Vacation leave over 240 hours at the time of separation shall</p>	<p>Employees will be paid for vacation leave accumulated up to a maximum of 240 hours and eligible bonus leave.</p>

	credited once employee returns from lay-off.	be reinstated when reemployed within one year. Bonus leave will be paid in a lump sum if eligible. Sick leave shall be reinstated if employed in any agency or university within five years.	
<b>Total State Service</b>	Employee shall continue to receive total State service during lay-off. Service will be adjusted once employee returns from lay-off.	Accrual of total State service ends at separation date.	Accrual of total State service ends at separation date.
<b>Severance Eligible</b>	No	Employees can receive severance salary continuation or a discontinued service retirement allowance. Conditions apply.	If selected for participation, the employee will receive a separation payment based on the RIF's state policy formula, which is the standard state severance salary formula.
<b>Unemployment Eligible</b>	Employee may be eligible. Contact the Division of Employment Security.	An employee receiving severance salary continuation may not be entitled to receive unemployment compensation, depending on the amount.	No
<b>Notice Requirement</b>	None. But short notice recommended.	The employing agency shall notify the employee in writing of separation as soon as possible and in any case not less than 30 calendar days prior to the effective date of separation	Employees will have twenty-one (21) calendar days to decide to participate by signing an RTR Volunteer Separation Agreement.
<b>Priority Consideration</b>	Not if still employed	Upon written notification of imminent separation, a career State employee shall receive priority consideration for positions at an equal or lower salary grade (or salary grade equivalency) for a period of 12 months. Conditions apply.	No

Please remember to share [EAP resources](#) with employees impacted by any of the above actions.