

## **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, if 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 outlines procedures to ensure 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 when identifying employees for reduction-in-force or elimination of work.

### **PROCESS:**

Before announcing or implementing a reduction-in-force or eliminating work that results in an employee's departure, the department will review its plan with Human Resources. The plan must obtain the approval of Human Resources and, subsequently, the approval of the University leadership before 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 based on 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, before 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 the 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 the employee's length of service and salary in their former position at the end of the original Notice Period.

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

Affected employees will be considered for any available positions at the University based on their 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 soon 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 more extended 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 based upon University policy. 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 continue to make retirement contributions for which the employee is eligible during the Notice Period. No employee or employer retirement contributions will be made for any severance or other post-employment compensation.

### **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 standard operating procedures specific to the collection of university-related property.

### ***Severance Payment and Benefits***

If the employee continues employment through the Notice Period (or is otherwise compensated for it) and does not secure other employment within the University, they may be eligible to receive a lump-sum separation payment for the designated severance period. This payment will be made on the later of (i) the end of the Notice Period, as part of the employee's final paycheck, or (ii) the first regular pay date following the expiration of the seven (7) day revocation period *under the signed (and not revoked) SEPARATION AGREEMENT AND RELEASE prepared by the University*. All payments are subject to applicable taxes.

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 workday.
- 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 continuous service, the student may complete the current academic year plus one additional academic year of study (or, for a child who has applied for admission, the first and second academic years of study).
    - If the parent was employed by Moravian and completed six (6) through ten (10) years of continuous service, the student may complete the current academic year plus two additional academic years of study (or, for a child who has applied for admission, the first, second, and third academic years of study).
    - If the parent was employed by Moravian and completed eleven (11) or more years of continuous service, the student may complete the current academic year plus three additional academic years of study (or, for a child who has applied for admission, the first, second, third, and fourth 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 continuous service, 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 continuous service, 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.

### ***Laptop Buy-Out Option***

In cases where an employee's position has been eliminated and the assigned University laptop or similar equipment will not be reassigned to a new employee, the departing employee may request to purchase the device. Such requests are subject to approval and not guaranteed. The buy-out price will be determined by the Finance Office based on the calculated book value of the equipment, using the original purchase price and date, applying straight-line depreciation over a four (4)-year useful life.

A written request must be submitted to the Director of Human Resources or their designee, who will coordinate with the Finance Office to obtain the current buy-out value and communicate the approved price to the employee. All transactions must be completed before the employee's final separation date.

Before transfer, the laptop will be erased and reset to factory settings by the Information Technology (IT) department to remove all University data, software, and accounts. Once this process is complete, the laptop will be returned to the employee. After purchase, the equipment becomes the personal property of the employee and is no longer supported or maintained by the University's IT department.

### **SOURCE DOCUMENTS**

Administrative & Support Staff Employee Handbook

### **REFERENCED POLICIES**

Employment Separation Policy and Procedures

### **SCOPE OF POLICY X**

#### **Moravian University**

X Administration

X Support staff

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