



Northern Marianas College Procedure

Procedure No.: 5012.1 Procedure Title: Furloughs, Layoffs and Reduction-in-Force (RIF)

Issuing Date: 5/11/2020 Adoption Date: 9/29/2020
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Office of Origin: Human Resources Office

Procedure Approval Authority: President

Board Policy No. associate with this procedure: Furloughs, Layoffs and Reduction-in-Force (RIF)

This Procedure Supersedes/Replaces: None.

The written steps necessary to appropriately and uniformly perform a task in carrying out policies and activities of the College.

Overview/procedure description The purpose of this procedure is to establish the process for a furlough, layoff or reduction-in-force (RIF).

Areas of Responsibility The President, together with the Chief Financial Officer (CFO), Director for Human Resources and the Human Resources Office (HRO) are responsible for enforcing Human Resources policies and procedures.

HRO shall work with the different departments of the college to implement the plan. Departments are responsible for identifying the staff necessary to preserve the college’s excellence as an educational institution.

Procedure details This procedure would only be applied after careful consideration of other options to continue the College’s financial sustainability. The President, with approval by the Board of Regents, has the authority to implement a plan relating to this procedure.

In situations in which NMC’s continued operation, in whole or in part, is rendered impracticable, NMC may implement a furlough, layoff, or a RIF plan.

A. Definitions

1. **Furlough.** A furlough is typically short-term and requires employees to work fewer hours or take an unpaid leave of absence from work for a specific period of time. A furlough can be *a reduction of work hours per week*, with a duration not to exceed twelve (12) months.

- (a) A furlough is not a layoff or a reduction-in-force action. However, if there is no intent to continue funding a position, the furlough may be changed to a layoff or a permanent separation of employment through reduction-in-force (RIF).
- (b) When an employee is on furlough status, they may seek outside employment (see HR Procedure 5000.3 on Outside Employment) during a furlough.
- (c) Employees on furlough status may not use accrued paid leave while on furlough status.

- 2. **Layoff.** A layoff is a temporary suspension of work without pay for a set period of time. A layoff can be for a duration period of between 30 days up to a total not to exceed twelve (12) months. However, if there is no intent to continue funding a position, the layoff may be changed to a permanent separation of employment through reduction-in-force (RIF).
- 3. **Reduction-in-Force (RIF).** A reduction-in-force is a permanent separation of employment when a position is eliminated without intent to replace it.

B. Notice of Furlough, Layoff or Reduction-in-Force (RIF) Plan

When it becomes evident that a furlough, layoff, or RIF plan must be implemented, the President shall provide the Board of Regents advance notice of intent to implement action as may be practicable under circumstances.

The President shall then institute administrative procedures to assure that all legitimate possibilities for reassignment have been explored and that a furlough, layoff or a RIF is the only remaining alternative.

Employees subject to a furlough, layoff or RIF will be given such advance notice of the action as may be practicable under circumstances.

C. Non-Discriminatory Statement

There will be no discrimination on the basis of race, sex, color, religion, creed, national origin or ancestry, age, marital status, sexual orientation, gender identity, gender expression, disability, veteran status, and height or weight, nor will individual salaries or eligibility for retirement be criteria for determining who will be affected.

D. Furloughs

- i. Before a furlough is implemented, an analysis to ensure its cost effectiveness will be conducted.
- ii. NMC may adopt a furlough plan which will set forth the number of furlough days and the period of time within which it will be sufficient.
- iii. NMC may extend, modify, or cancel a furlough plan in accordance with this procedure.
- iv. Furlough days may be scheduled in a way that allows the department or unit to continue to provide a basic level of service.
- v. Furlough days must be taken on days that an employee is normally scheduled to work.

1. Employee Benefits During a Furlough Period

If financially feasible, NMC may decide to continue paying the College's share of the employee benefits. It would be at the College's discretion to discontinue coverage of benefits, if impracticable.

- a. All employee benefits granted during the furlough period may continue for no more than 12 months. If an employee is unable to pay their share, immediate notice must be provided to HRO so that the benefit is terminated.
- b. Medical insurance - NMC may continue to pay its portion of the insurance. The employee is responsible for paying for their full premium of coverage while on furlough.
- c. Dental insurance - NMC does not pay for dental coverage. The employee is responsible for paying for their full premium of coverage while on furlough.
- d. Employees may continue to accrue annual and sick leave during a furlough, but no FMLA credit. The accrual of annual and sick leave may be adjusted based on the total number of hours actually worked.
- e. Annual leave will not be paid out while on furlough status.
- f. Holiday pay may continue if there is a holiday during the furlough work schedule.
- g. All miscellaneous authorized payroll deductions will not continue during a furlough period. It shall be the employee's responsibility to make arrangements to adjust their deductions while on furlough status.

- h. An employee's continuous service credit, review date and employment status will not be affected by furlough.

E. Layoffs

After an assessment plan is completed for a furlough to take place, and it is determined that a furlough would not be a feasible option for a position, a layoff may be considered. A layoff will have a duration not to exceed twelve (12) months.

A layoff typically happens when there are adverse economic conditions, budget constraints, not enough work for an employee, a redundancy of job duties, or due to the discontinuance, reduction, or modification of a College department or program.

- i. Before a layoff is implemented, an analysis to ensure its cost effectiveness will be conducted.
- ii. NMC may adopt a layoff plan which will set forth the number of layoff days and the period of time which it will be sufficient.
- iii. NMC may extend, modify, or cancel a layoff plan in accordance with this procedure.

Employees subject to a layoff will be given such advance notice of the action as may be practicable under circumstances.

NMC will not pay any employment benefits if an employee is laid off.

F. Recall

The President may recall employees who were given furlough or layoff notices to return to work. The notices to employees will be sent by mail or electronic mail (e-mail) to the current address HRO has on file. This notice should indicate the date the employee is expected to return to work.

1. Status Upon Return

The employee that is recalled will return back to the position or a similar classification and salary that they previously held prior to the furlough.

2. Response to Recall

If a furloughed or laid off employee is recalled and refuses to return to work, or does not respond to the recall notice within five (5) work days, the notice of recall will be retracted, and the employment will be considered a separation. A notice of separation will be issued to the employee with an effective date the employee was given a notice of recall.

G. Reduction-in-Force (RIF)

After all other reasonable, practical alternatives have been considered, a reduction-in-force (RIF) may be necessary. If a RIF is warranted, the President may implement a RIF.

An employee shall be given no less than thirty (30) calendar days notice before the termination of employment becomes effective.

References

HR Policy 5012