

## Reorganization Through Reduction Policy

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### Reorganization through Reduction

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### Policy

The Reorganization through Reduction (RTR) program is a voluntary employee separation program created by the General Assembly and established under the direction of the Office of State Human Resources (OSHR) 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. The RTR program may be utilized within the departments and offices listed in GS 126-5(d) (1) or (2) and The University of North Carolina and its constituent institutions.

RTR differs from a Reduction in Force (RIF) in that an RTR involves a voluntary separation by an employee. During RTR, an agency is not required to eliminate a position if the agency needs to re-purpose the position to meet agency business needs, objectives and goals. Each agency using RTR shall comply with this policy.

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### Eligibility and Process

Employees in a permanent full-time or part-time appointment type with 12 months of continuous employment are eligible to participate. Individual eligibility is specific to the agency's approved RTR plan and will be determined by the agency.

The Agency Head/University Chancellor and Human Resources Director will draft the agency's RTR plan based on the agency business needs, objectives, goals and critical skills, which shall be sent to OSHR to ensure compliance with the RTR policy. The agency

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will coordinate with the Office of State Budget and Management (OSBM) for approval of funding. The agency will notify OSHR of fund availability.

If the plan is approved, the agency will then implement RTR. First, the agency will send the RTR announcement to the affected organizational units. Employees in these units will have twenty-one (21) calendar days to decide to participate by signing an RTR Volunteer Separation Agreement which is submitted to OSHR. If the agency receives more volunteers than needed for the RTR, shall use length of service (greater total state service) as the determining factor in selecting or denying participants. The agency will select participants and will notify volunteers of acceptance or denial.

If selected for participation, the employee will sign a Settlement Agreement and Waiver of Claims and receive a separation payment based on the RIF's state policy formula, which is the standard state severance salary formula. In addition, a payment of \$5500 will be added to the separation payment that may be used by the employee after resignation to purchase health insurance.

If there are fewer volunteers than needed to achieve the goals of the RTR plan, the agency must implement a Reduction in Force (RIF) to proceed with the restructuring and reorganization plans to achieve the approved minimum reductions, and may implement up to the maximum contained in the RTR plan. The agencies will select employees for RIF to meet the goals and will notify affected employees. Individuals who were excluded from the voluntary RTR plan due to critical skills may not be considered if an involuntary RIF is necessary to meet the agency restructuring/ reorganization plan.

A RIF as part of an approved RTR may include the abolishment of jobs. However, the funds saved from the abolition of the job may be repurposed to create new positions so long as additional efficiencies and economies result from the creation of different jobs in agency operations. Employees who are reduced in force during RTR are eligible for standard severance salary continuation regardless of whether the funds for the position are repurposed.

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### Special Provision as to Law Enforcement/Forensic Scientist

Employees in a permanent full-time or part-time appointment in a sworn law enforcement or forensic scientist position and who are required to complete a formal training program prior to assuming law enforcement or forensic scientist duties with 24 months of continuous employment are eligible to participate. Individual eligibility is specific to the agency's approved RTR plan and will be determined by the agency.

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### Agency Responsibilities

The Agency Head/University Chancellor and the Human Resources Director will identify opportunities to utilize the RTR program. Using templates provided by OSHR, the agency RTR plan must identify:

- Agency business needs, objectives, and goals to be achieved and the rationale for any changes;
- Critical skills needed to support the business needs. Critical skills are job specific knowledge/skills/competencies, needed by the organization, such that the organization would experience difficulty meeting its mission/goals should the specific knowledge/skills/competencies be lost. Critical skills may be found in an individual position or group of positions;
- Position, classifications and division(s)/unit(s) where RTR is being offered and where RTR is being excluded and the reasons for inclusion/exclusion;
- Numerical range of RTR opportunities for consideration in each classification(s) or division(s), with a minimum of five positions in order for the agency to utilize the RTR program;
- Cost estimates for proposed RTR;
- Implementation plan, including communications, timeframes for employees to express interest and target separation date; and
- The rationale for employees who have been declined participation in the program should be documented and reported to OSHR.

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- The plan must be signed by the Agency Head/University Chancellor and the HR Director and submitted for approval to the Office of State Human Resources.

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### Employee Responsibilities

An employee that volunteers and is selected for participation:

- must sign RTR Voluntary Separation Agreement;
- must sign the Settlement Agreement and Waiver of Claims, in order to receive the separation payment;
- does not have any re-employment priority;
- may not return to any SHRA employment (permanent, temporary, contractual, time-limited) for 12 months;
- may not return to any state EHRA employment for 12 months;
- will receive the appropriate longevity payment, if eligible;
- will receive payment for vacation and bonus leave according to established state policy;
- must be employed on the date of the scheduled RTR separation date. If the employee voluntarily leaves the agency or is terminated prior to the RTR separation date, the employee is not eligible for the RTR separation payment; and
- may not rescind retirement application after RTR plan has been approved by OSHR for purpose of participating in RTR program.

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### OSHR Responsibilities

OSHR will:

- Review and approve proposed RTR plans from agencies;
  - Coordinate the implementation of the RTR;
  - Establish timeframes for RTR plan implementation; and
  - Compile and submit required reports.
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### OSHR and OSBM Approval Process

The agency, in consultation with OSHR, will coordinate approval with OSBM for approval of funds disbursement. No changes may be made to the plan once approved by the OSHR, without the approval of the OSHR Director. OSHR reserves the right to make changes in RTR implementation, parameters and timeframes, and to suspend the program if needed during the RTR process.

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