

Reduction-in-Force and Furlough Policy

Policy History

Date	Version
July 28, 1949	First version
August 3, 1973	Established procedure for lay-off and demotion to effect reduction in force in the Employment Security Commission.
January 25, 1974	A permanent employee who is separated due to reduction in force shall have the right to appeal to the State Personnel Board for a review to assure that systematic procedures were applied equally and fairly.
January 1, 1976	Includes provisions for competitive service positions and provides that all reductions in force be based on systematic consideration of time of appointment, length of service, relative efficiency.
March 1, 1978	If an employee with five years of service is either transferred to an exempt position or occupies one that is declared exempt, upon leaving that position for reasons other than just cause, such
	employee shall have priority to any position that becomes available for which the employee is qualified. A permanent employee, who has been or is scheduled to be separated due to reduction in force, shall have priority to any position that becomes available for which the employee is qualified.
August 1, 1978	Reduction in force – priority consideration defined.
August 1, 1979	Severance pay equivalent to two weeks approved by 1979 GA.
March 4, 1981	Emergency regulation on reduction in force.
June 1, 1981	Revision in the wording of the policy to include “neither temporary, probationary nor trainee employees shall be retained in cases where permanent employees must be separated in the same or related classes.” AND that type of appointment, length of service and relative efficiency do not necessarily have to be considered in that order.

August 1, 1981	Policy changes due to Governor and Legislature requesting reduction in work force.
October 1, 1984	Amendments to AA Policy and RIF.
June 1, 1985	Deleted competitive service provisions.
July 1, 1985	Section on Appeals revised to conform to Legislation requiring years of service in certain pay grades before becoming a permanent employee.
February 1, 1987	Agency responsibility clarified (1) guideline must be openly available for review (2) must inform employees in writing of reasons of RIF, eligibility for priority, appeal rights, and other benefits (3) must give two weeks' notice. Affirmative Action changed to state all decisions must be analyzed to determine impact on departmental utilization goals and to avoid adverse.
August 1, 1988	Reinstatement of sick leave changed to five years instead of three years.
November 1, 1990	Leave Without Pay Option deleted since no longer needed.
April 1, 1993	Priority Reemployment Consideration – revised to allow a new probation period in certain situations involving the reemployment of a person involved in reduction-in-force.
March 1, 1994	Changed “permanent” to “career.”
April 1, 1995	Note about veteran preference added for clarification.
December 1, 1995	Revised to conform to reduction-in-force statutory provisions.
June 1, 2008	Under the paragraph on Leave, added provision that leave in excess of 240 shall be reinstated if reemployed within one year. (This provision has been in the Reinstatement Policy since 2002. It is added here for clarity.) (2) Changed policy to allow an employee who is reduced in force to exhaust vacation leave after their last day of work and still be paid for up to 240 hours of leave in a lump sum.

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January 1, 2009	A decision of the N.C. Court of Appeals said that an issue regarding the manner in which a reduction in force is carried out is no longer considered a contested case issue; therefore, the paragraph on Appeals is changed to recognize the impact of that decision. (The rule will be changed to reflect this change also.)
March 1, 2011	The paragraph on Appeals was changed (per Lynn Floyd) to include appeal if it is alleged that the separation is a denial of the veteran's preference granted in connection with a reduction in force. (This change is simultaneous with the publication of the new Manual; therefore, no revision was sent out separately.)
December 1, 2013	Section on "Appeals" changed to refer RIF employees to Employee Grievance Policy found in Section 7 of the HR Manual.
October 1, 2014	<p>Changed trainee eligibility period from 6 months to 24 months to align with the legal definition of probationary period.</p> <p>Notification requirements were moved from "agency responsibility" and put in an independent section to place emphasis on the requirement.</p> <p>Removed the requirement for agencies to send applications of RIF employees to OSHR.</p> <p>Added a clarifying statement in the "leave" section that one year time period for reinstating excess leave is from the date of separation and not the date of notification of separation.</p>
February 6, 2020	Policy reviewed by the Diversity and Workforce Services Division to confirm alignment with current practices and by the Legal, Commission, and Policy Division to confirm alignment with statutory, rule(s), and other policies. Reported to SHRC on February 6, 2020. North Carolina General Statute has been updated to reflect that no loss of funds shall be required as a precondition for a reduction in force (N.C.G.S. § 126-7.1 (b)). The policy revisions reflect this change, as well as adding some clarification regarding retention factors.
October 7, 2021	Policy reviewed by the Diversity and Workforce Services Division to confirm alignment with current practices and by the Legal, Commission, and Policy Division to confirm alignment with statutory, rule(s), and other policies. The RIF policy was modified to reflect changes included in HB602 that allows the UNC System to approve RIF Plans.

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<p>April 17, 2025</p>	<p>New text added to policy on furloughs and partial furloughs by work schedule reduction. This new text is based on the procedures that have been used in the past when federal shutdowns have occurred, funding has been interrupted due to the shutdowns for some state employees, and state employees have been placed on furlough as a result.</p> <p>RIF text of policy updated to make clear that the retention factors and analysis described in the policy should be documented in a written RIF plan. The discussion of retention factors has been moved from the “Area of Analysis” section to the “RIF Retention Factors” section. Clarifying edits were made to the discussion of each retention factor.</p> <p>Agency responsibility section updated to identify current way of submitting RIF plans to OSHR (through Smartsheet). “Leave” section updated to make clear it is specific to RIFs, not to furloughs. “Sources of Authority” section added</p>
<p>June 25, 2026 (effective July 1, 2026)</p>	<p>Made confirming changes to reflect new Managing Employee Work policy.</p>