



**Responsible Department:** Business and Financial Affairs

**Recommended By:** Senior Vice Chancellor for Business and Financial Affairs, Vice Chancellor of Human Resources

**Approved By:** Chancellor

**Policy Number**  
HRIC 5.10.040

**Effective Date**  
3/23/2022

## I. INTRODUCTION

Reductions in force may be temporary or permanent and may occur because of budgetary reasons, lack of work, reorganization, or redefinition of the University's or a department's needs. The University shall determine when position eliminations will occur, the administrative unit, division, or unit in which the position elimination will occur, and which position(s) are subject to elimination and severance benefits. The position elimination process and implementation must be carried out in coordination with Human Resources & Inclusive Community and the Office of General Counsel.

## II. POLICY OVERVIEW

This Policy sets forth how the University will determine eligibility for and manner in which the University will provide severance benefits to University employees who are involuntarily separated from employment due to a position elimination, restructuring of their position, or similar reason. The severance program is designed to provide financial support during a period of employment transition.

The University's Department of Human Resources & Inclusive Community shall administer this Policy by advising units and employees, determining employees' eligibility for severance benefits, calculating costs, and establishing the amount of severance payments and continuity of other benefits.

### Eligibility

#### A. Eligible Employees

1. Full-time and part-time appointed staff.
2. Full-time and part-time appointed faculty, except as set forth below.

## **B. Ineligible Employees**

1. Faculty whose involuntary separation from employment would be subject to the provisions of Section 6 of the Policies and Procedures Relating to Faculty Appointment, Promotion, and Tenure (APT).
2. Term-limited appointed faculty whose separation is covered in their appointment agreement.
3. Employees whose separation is the result of resignation, job abandonment, exhaustion of all available leave, retirement, or involuntary separation other than position elimination.
4. A separated employee who is offered an alternative suitable position within the University and declines the offer will be considered to have made a voluntary termination.
5. Employees who are funded by federal, state, private, or agency grants, gift, endowment, or contracts.
6. Non-appointed, temporary, or other employees on term or limited appointments.
7. Employees separated for unsatisfactory performance, misconduct, violation of University policy or other cause.
8. Employees who are otherwise eligible for severance but have received at least three (3) months' notice that their employment will be terminated due to position elimination, restructuring of their position, or similar reason.
9. Union employees: Separation of union represented employees shall be subject to the provisions in their collective bargaining agreement.

## **III. PROCESS OVERVIEW**

### **Severance Benefits**

Severance benefits are provided to lessen the impact of involuntary separation by providing financial support and continuation of key benefits during a period of employment transition.

#### **A. Severance benefits may include:**

1. A severance payment in the amount determined as set forth below;
2. An amount equal to the cost of the employer's contribution to the employee's health insurance for the amount of time represented by the severance payment (to offset employee costs of COBRA election, if applicable);
3. Tuition Waiver in accordance with the University's Policy HRIC 3.40.060 - *Employee Tuition Waiver*.

## B. Severance Payments

1. Severance payments shall be determined as follows:

<b>Length of Service (full years of service)</b>	<b>Severance Pay</b>	<b>Health Coverage Extension</b>	<b>Tuition Remission</b>
3 months -1 year	2 weeks	N/A	Until the end of the current quarter or semester
2-3 years	3 weeks	1 month	Until the end of the current quarter or semester
4+ years	1 week per full year of service (up to a maximum of 26 weeks)	Up to 6 months, paid in full month increments	Until the end of the current quarter or semester, plus the next semester

2. Severance payments are not eligible for employer match on retirement contributions.
3. Employees cannot be forced to accept severance and shall receive severance only after entering into a written agreement in a form approved by the Office of General Counsel, which includes, among other provisions, an applicable release of claims. However, an employee's refusal or inability to enter into such a written agreement shall not prevent the University from separating the employee, either with or without providing severance.
4. Severance payments will be paid in a single lump sum payment.
5. An employee will receive a separate payment for any unused vacation, uncompensated work, or other amounts due pursuant to University policy.

## C. Responsible Offices

1. Implementation of this Policy is the responsibility of the Department of Human Resources & Inclusive Community.
2. The Senior Vice Chancellor for Business and Financial Affairs is the University official responsible for the administration of this Policy.

## D. Related Policies and Resources

1. Policy HRIC 3.30.020 - *Staffing Level Reductions*
2. Policy HRIC 3.40.060 - *Employee Tuition Waiver Program*
3. Policy HRIC 3.30.030 - *Rehire*
4. Policy HRIC 3.40.060 - *Employee Grievance Process*
5. University of Denver Employee Handbook

E. ***NOTE: This policy is not a legal agreement. This policy does not confer a term of employment, nor is the language intended to establish a contract of employment, express or implied, between any employee and the University. The University reserves the right to change, amend or terminate any of its human resources policies at any time for any reason.***

#### IV. DEFINITIONS

- A. **“Length of service”** means the period commencing on the employee’s date of hire and ending on the employee’s termination date, taking into account the Adjusted Service Date (as determined in accordance with applicable University policies and procedures), if applicable.
- B. **“Involuntary separation”** (for purposes of this Policy) means permanent, involuntary termination of employment for reasons such as budget reduction, unit reorganization, work force downsizing, or other reasons not related to performance or conduct. A termination for unsatisfactory performance, misconduct, violation of University policy or other cause is not an eligible involuntary separation under this Policy.
- C. **“Severance benefits”** means benefits provided to lessen the impact of involuntary separation by providing financial support and continuing key benefits during a period of employment transition.
- D. **“Suitable position”** means a position with comparable leveling (i.e. grade, scope, title), salary, and benefits of the previously held, eliminated position for which the employee meets the required qualifications.

<b>Revision Effective Date</b>	<b>Purpose</b>
<i>3/__/2022</i>	<i>Revisions to align policy with practice</i>