

**CALIFORNIA INSTITUTE OF TECHNOLOGY
STAFF PERSONNEL MEMORANDA**

Subject: TERMINATIONS	Memo No.: 14 Total Pages: 10 Date: September 1, 2013
Approved by: Julia M. McCallin, Associate Vice President for Human Resources	

(This supersedes Memo No. 14, dated February 19, 2013)

1. Policy

It is the policy of the Institute that employee terminations be handled in a fair manner whether it is the employee or management who initiates the termination. Employees may be terminated with or without notice. This policy is further described below.

2. General

a. Types of Voluntary Terminations:

(1) Voluntary Resignation and Retirement

Voluntary terminations are those initiated by the employee. Employees are expected to give reasonable advance notice of resignation and provide a written notice. Normally, two weeks is considered reasonable notice. Employees who are eligible to retire should provide their supervisor and the Benefits Office with at least sixty (60) days advance notice of their intent to retire.

Employees who request to take vacation after they have given their advance written notice of their intent to voluntarily terminate their employment must have written approval from their supervisor, or designee, prior to the vacation commencing.

(2) Failure to Return from a Leave of Absence

An employee who fails to return to work from a leave of absence or an approved extension within the approved time period, without notifying his or her supervisor or Employee Relations, may be considered to have abandoned his or her job and voluntarily resigned. Employees on vacation and/or leave of absence who accept regular employment with another employer will be considered to have voluntarily resigned as of the date they began employment with a new employer.

(3) Declining a Reassignment

Employees who are reassigned by management to an alternative but comparable position and refuse this assignment will be considered to have voluntarily resigned.

Supervisors should contact Employee Relations to review all proposed reassignments due to layoff or outsourcing.

(4) Job Abandonment

An employee who is absent from work for three consecutive workdays without notifying his or her supervisor may be considered to have abandoned his or her job and voluntarily resigned. Supervisors should review all potential job abandonment situations with Employee Relations.

NOTE: Reemployment after a Voluntary Resignation

Employees who have completed their initial probationary period and who voluntarily terminate and are reemployed by the Institute within 12 calendar months will be considered to have uninterrupted service for purposes of eligibility for sick leave and vacation accrual and credit for service awards.

Refer to the Caltech Benefits Handbook, Section 2, General Information http://hr.caltech.edu/Benefits/Benefits_Handbook.htm for treatment of benefits, including the Institute's defined contribution retirement plan (Section 7, Retirement – Participation upon reemployment).

b. Involuntary Terminations

Employees may terminate their employment at any time for any reason as may the Institute.

Employees who are involuntarily terminated may, in the Institute's sole discretion, be offered the opportunity to resign or to elect to retire, provided, however, that if the employee elects resignation or retirement, he or she gives up the right to file an appeal using the Problem Resolution process. Employees are responsible for informing Employee Relations within ten calendar days of their termination date of their decision to resign or election to retire. Under such circumstances, it will be documented that the employee's resignation or retirement was in lieu of involuntary termination.

(1) Immediate Termination

Certain conduct may result in disciplinary action up to and including termination depending on the circumstances, even for the first occurrence. Examples may include but are not limited to:

- serious misconduct of any kind;
- insubordination;
- willful neglect;
- engaging in a fraudulent or dishonest act;
- falsification of records, including timekeeping records;
- deliberate damage to the Institute's property or the property of another;
- theft including, but not limited to, unauthorized taking, removal, or possession of funds or property belonging to the Institute or a fellow employee;
- unauthorized charges against the Institute's accounts;
- conviction of or pleading guilty or no contest to a felony;
- fighting, and/or threatening or committing physical violence against another person;
- bringing or being in possession of a weapon or other dangerous device on the Institute's property without authorization;
- a violation of the substance abuse policy;
- a violation of computer and/or network security by an employee of the Institute, including but not limited to unauthorized access, intrusion into, use or corruption of, interference with, disruption or slow down of service with respect to the Institute's automated information systems or information, or attempts thereto. In addition, the employee may be held financially responsible for any damages that may result. For further information, please see Institute Policy on Acceptable Use of Electronic Information Resources;
- a violation of safety or security policies or practices;
- a violation of business ethics policy or practices;
- accessing/downloading pornographic material;
- a violation of the Institute's policies; and
- any statement or representation made by an employee in the course of discussions or negotiations leading up to employment with the Institute proves to have been materially false or misleading.

(2) Probationary Release

Supervisors should contact Employee Relations as soon as any concerns arise during a probationary period.

a. New Hires

Upon employment employees are placed on a probationary period. A new hire probationary employee who the Institute determines does not meet the

job requirements or who is otherwise determined to be unsuitable for the job may be terminated with or without warning or notice at any time during the probationary period. Employees who are terminated during their initial probationary period are not entitled to use the Problem Resolution process.

b. Transfers, Reassignments, and Promotions

Employees who have been transferred, reassigned, or promoted to a new assignment are placed on probationary status by the supervisor in order to determine the appropriateness of the placement. At the discretion of the supervisor, the employee may complete probation at any time during the probationary period.

(3) End of Temporary Employment

Employees who are hired on a temporary basis may be terminated by their supervisor at any time, with or without cause or notice, including before the completion of their original work assignment or any work extension thereof.

(4) Layoff

(a) A layoff is an involuntary termination resulting from circumstances such as, but not limited to:

- A reorganization or a reduction in force.
- A redirection of work due to the cessation of, or change in, the activities of the Institute.
- A change in job function or technology which results in the position being eliminated or filled by an individual who has the requisite skills, knowledge or abilities which, in management's opinion, the incumbent does not possess.
- Loss of funding or other budget constraints.
- Change in direction, focus or method of carrying out the Institute's activities that results in the Institute no longer having a need for the incumbent, in management's opinion.
- An involuntary reduction of an employee's regularly scheduled hours by 50% or more per week.

When the Institute decides that a layoff is necessary or appropriate, the positions to be eliminated and/or individuals to be laid off will be selected based upon the Institute's needs, in accordance with the Institute's judgment. Layoff is not to be used in lieu of disciplinary procedures.

(b) Notice of Layoff

Pending layoffs should be reviewed with Employee Relations before informing employees. Supervisors are encouraged to inform employees of the possibility of layoff as far in advance as possible.

Under certain circumstances, employees may receive advance notice of termination under the federal Worker Adjustment and Retraining Notification Act (WARN). California has a similar statute (CA WARN). Human Resources determines if and when any notice shall be provided under WARN or CA WARN, whether or not such obligations are required by law.

(c) Separation Benefit: Separation Pay and Separation Notice Eligibility

Regular, benefit-based employees subject to layoff may be eligible to receive a Separation Benefit either in the form of Separation Pay or Separation Notice as further described below. This includes laid off employees who are eligible to retire. Regular benefit-based employees who have not completed the new hire probationary period are not eligible to receive a Separation Benefit.

If applicable, an eligible **exempt** employee, as well as a JPL weekly or overtime-eligible employee, will receive a Separation Benefit equal to 21 working days, plus five working days for each year of uninterrupted service, up to a maximum of 130 working days (26 weeks), less authorized deductions and withholdings required by law.

If applicable, an eligible **non-exempt** employee, including an hourly employee, will receive a Separation Benefit equal to 21 working days, plus five working days for each year of uninterrupted service, up to a maximum of 65 working days (13 weeks), less authorized deductions and withholdings required by law.

It is within the sole discretion of the Institute which of the two forms of Separation Benefit, or combination thereof, to provide employees who are subject to a layoff. Employees may be required to report to work through all, or a portion of, the time covered by the period of the Separation Benefit.

Separation Pay

If the Separation Benefit is provided in whole or in part in the form of Separation Pay for the number of days for which the employee

is eligible, eligible employees will receive the Separation Pay component in a lump sum payment on their last day worked.

Separation Notice

If the Separation Benefit is provided in whole or in part in the form of Separation Notice, eligible employees will be provided advance notice of their separation for the number of days calculated as the Separation Benefit or a portion thereof. Employees receiving Separation Notice may be required to report to work through all, or a portion of, the time period covered by the Separation Benefit.

WARN/CA WARN Notice

In certain circumstances, Human Resources may determine that employees subject to layoff shall receive 60 days advance notice of termination under the Worker Adjustment Retraining and Notification Act (WARN) or a similar state statute (CA WARN). This 60 day period, which begins on the day after an employee receives WARN/CA WARN notice, is known as the WARN/CA WARN notice period.

During the WARN/CA WARN notice period, the employee will continue to be employed but either may be asked to continue to report to work or may be placed on a paid leave. During this period, the employee will remain on the Institute's payroll and will continue to accrue and be eligible for all benefits. Employees may be required to report to work through all, or a portion of, the time covered by the WARN/CA WARN notice period. Employees on paid leave status are not permitted to perform work unless they are notified to return to work.

The notice provided to an employee during the WARN/CA WARN notice period will be counted as Separation Notice against the employee's eligibility for Separation Benefit. Upon completion of the WARN/CA WARN notice period, the employee will be terminated, and the Separation Notice the employee received during the WARN/CA WARN notice period will be subtracted from any Separation Benefit for which they are eligible. Accordingly, the Separation Notice runs concurrently with the WARN/CA WARN notice.

Proration

The Separation Benefit will be prorated based on the number of hours the affected employee works on a regularly scheduled basis. For example, a part time employee working 20 hours a week is eligible for 50% of the Separation Benefit that a full time

employee who is scheduled to work 40 hours a week would receive.

Reassignment

The Separation Benefit normally provided in the case of a layoff will not apply in cases where an employee is offered and declines a reassignment to a comparable position with the Institute or a sub-contractor of the Institute. A comparable position is considered to be a position that is at the same or greater grade, pay, and location as the position that was eliminated. However, an employee may receive a Separation Benefit should the Associate Vice President for Human Resources or designee determine the position is ultimately not comparable. Refer to Declining a Reassignment in Section 2. a. (3) of this policy.

Partial Layoff by Hours Reduction

In the event of a reduction of an employee's regularly scheduled hours by 50% or more per week, as determined by his or her supervisor, the employee will be given several options:

1. The employee can remain employed and accept the reduction to his or her weekly scheduled hours and receives a prorated Separation Benefit.
2. The employee may opt to decline the reduction of his or her weekly scheduled hours, be terminated, and elect to take his or her full Separation Benefit.

For all Layoffs: Employees must have completed eleven months of uninterrupted service at the time of any layoff notification to receive credit for a full year of service.

Employees who have been laid off but are able to obtain a position at the Institute prior to the layoff termination date will no longer be eligible for the Separation Benefit.

Employees who receive Separation Pay and are reemployed by the Institute will be required to repay a portion of their Separation Pay, if applicable.

Example: An employee who receives 46 days of Separation Pay and is reemployed at the Institute 15 working days after the date of layoff is required to repay the equivalent of 31 days of net pay upon reinstatement.

An employee who is laid off by the Institute more than once in a twelve month period is not eligible for any additional Separation Benefit within the twelve month period following the first layoff.

(d) Vacation Benefit at the Time of Layoff

Benefit based employees who are laid off will be paid for accrued, but unused vacation hours, as well as their Personal Holiday, if unused, upon termination.

In the case of a layoff, unused vacation is defined as accrued, but unused vacation hours as of the termination date, plus a vacation accrual based upon the Separation Benefit, if any, paid to the employee at termination. This payment, less authorized deductions and withholdings required by law or authorized by the employee, will be included in the employee's final paycheck.

(e) Sick Leave Credit at the Time of Layoff for Employees Eligible to Retire

Employees who are accruing sick leave at the time of layoff and are eligible for retirement will earn sick leave credit based upon the Separation Benefit, if any, paid to the employee at the time of termination. This credit will be added to the hours of accrued sick leave as of the employee's termination date.

(f) Medical/Dental Benefits at time of Layoff

Upon the effective date of the layoff, regular, benefit-based employees who elect to continue medical and/or dental coverage through COBRA may qualify to continue coverage at their "Institute employee rate" for a period of one to six months after the layoff date. The Institute will provide employees with one month of coverage at their existing "employee rate" for each year of uninterrupted service up to a maximum of six months. This benefit will be coordinated with the retiree medical benefit and COBRA coverage as applicable. COBRA coverage is contingent upon the employee's timely payment of their portion of the medical and dental premiums.

A regular, benefit-based employee who is laid off more than once in a twelve month period may qualify to continue coverage at the "Institute employee" rate as outlined above.

(g) Reemployment after a layoff

Regular, benefit-based employees who have completed their initial probationary period and who are subsequently laid off and reemployed within the reemployment period set forth below will be considered to have uninterrupted service for purposes of eligibility for sick leave and vacation accrual, and credit for service awards.

Length of Service

Reemployment Period

One year or less

Reemployed within 12 months of termination date

More than one year

Reemployed within time period equal to the employee's length of service but not to exceed 24 months

Refer to the Caltech Benefits Handbook, Section 2, General Information http://hr.caltech.edu/Benefits/Benefits_Handbook.htm for treatment of benefits, including the Institute's defined contribution retirement plan (Section 7, Retirement – Participation upon reemployment).

3. Procedures

- a. The final paycheck for a terminating employee will be paid on the termination date. However, an employee who resigned but did not provide at least seventy-two (72) hours advance notice will receive a final paycheck within seventy-two (72) hours after the employee gave notice to his or her supervisor.

The final paycheck will include deductions for insurance premiums to provide coverage through the last day of the month in which the employee worked, if applicable.

- b. Termination Clearance

Supervisors are responsible for assuring that employees terminating from their department have returned any and all Institute property, including badges, P-card, computers, passwords, phones, tools, keys, books and other property assigned to them.

- c. Termination Inquiries and Employment Verification Requests

All inquiries by outside organizations concerning a terminated employee should be referred to Human Resources. Supervisors and employees who receive requests to verify the employment of a terminated employee are to refer the inquiry to Human Resources.

4. Furlough Policy

Addendum to Termination Policy (PM 14) dated September 1, 2013

Under circumstances that require a temporary stoppage of work due to unforeseen circumstances, employees may be placed on a furlough. The duration and nature of the furlough will be determined by the Institute and may be extended by the Institute as necessary. During the furlough period, the employee will not be paid his/her regular wages. During a furlough, the employee's employment has not been terminated as there

is an expectation (but not a guarantee) that the employee will be returned to his/her regular position when the temporary work stoppage ceases. For purposes of calculating benefits, there is no break in service while an employee is on a furlough. An employee on a furlough will retain the vacation and sick time balances accrued up to the beginning of the furlough period. However, the employee may not request a lump sum payment of unused vacation and sick leave or/and personal holiday. Nor may the employee use his/her vacation and sick leave and/or personal holiday accruals. An employee on a furlough will continue to accrue vacation and sick time during the furlough period. If an Institute observed holiday falls within the furlough period, the employee will not be eligible for holiday pay and the observance of the holiday shall not be deferred. The Institute will pay the employer's portion of the health and welfare benefits for a period of 30 days.

5. Exceptions

Any exception to this policy requires the approval of the Associate Vice President for Human Resources or designee for Campus staff, or of the Director for Human Resources at JPL or designee for JPL staff.