

Voluntary Layoff

Narrative and Flowchart

In some circumstances, a voluntary layoff program is considered prior to involuntary layoffs. It is most frequently considered when a large reduction in employee numbers is required and when there is ample time to offer a voluntary program.

A voluntary program allows employees who might ultimately be affected by involuntary layoff to make a proactive choice. For some employees, it can turn an uncontrollable situation into a controllable one. It can also eliminate or significantly reduce the number of employees who would be involuntarily affected.

Several features can be offered to create an enhanced package such as early retirement and/or financial planning, life transition and/or outplacement type services and enhanced severance ("buy out"). Agencies must contact their account representative in the Labor Relations Division at MMB for input and approval of incentive packages.

A team comprised of managers and human resource staff should weigh the advantages and disadvantages of voluntary layoffs and focus on important decision factors.

Advantages of voluntary reductions are to:

- Allow flexibility in identifying work areas where reductions are needed.
- Empower employees to make self-directed, life changing decisions.
- Significantly reduce the number or eliminate involuntary reductions.
- Create a win-win situation for management, bargaining units and employees.
- Allow employees to consider early retirement with additional benefits.

Disadvantages of voluntary reductions:

- Can limit management's control over which employees will volunteer in the identified work area.
- May produce very few or no volunteers, hence, delaying the process of eliminating positions.
- May raise issues with legislative leaders regarding separation package costs.

Voluntary Program decision factors

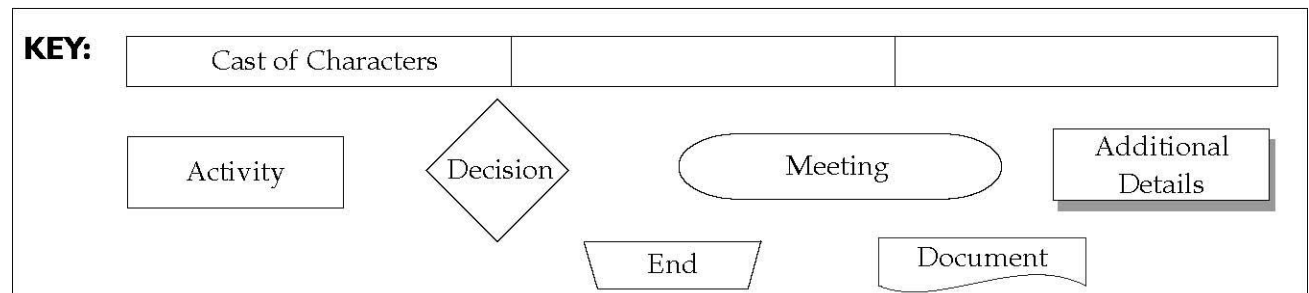
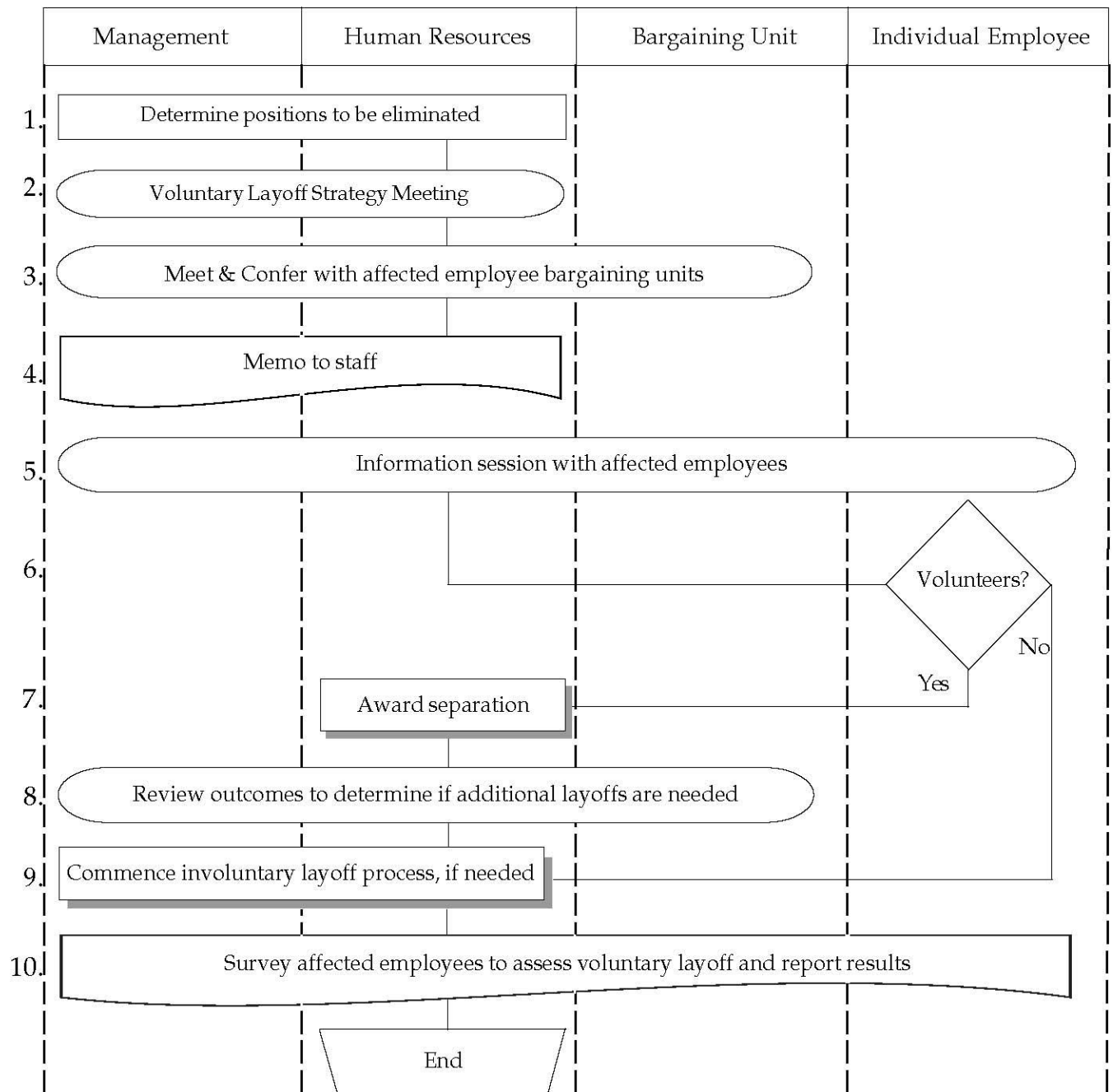
- Are the number of positions to be reduced large enough to warrant a voluntary process?
- Can the agency afford the costs of using this process?
- Is there a need to eliminate only specific positions or functions?
- Can the agency afford the delays caused by using voluntary reductions?
- Is the workforce such that there is a high probability that this would be an attractive option?

Narrative Describing Flowchart

The following narrative and flowchart can be utilized as a guide to agencies as they develop their own process for voluntary layoffs.

1. **Work Area Selection:** The Management/Human Resource team determines the need to eliminate positions and/or functions. This could be the result of workforce planning or a budgetary crisis.
2. **Strategy Meeting:** The Management/Human Resource team meet to discuss issues surrounding voluntary separation opportunities for employees. The team considers timelines, implications for the budget and alternative actions such as voluntary reduction in work hours. Develop (with Labor Relations' approval) general incentives for voluntary resignations.
3. **Meet and Confer:** The team schedules a Meet and Confer with the bargaining unit(s). They then contact the agency's or MMB's Labor Relations staff to inform them of upcoming negotiations and request assistance as needed.
4. **Memo to Staff:** After the Meet and Confer, agreement from the bargaining units and approval from MMB Labor Relations, Human Resource staff send a memo to affected, classified employees explaining the voluntary period, available incentives and processing information. See the sample letter.
5. **Information Sessions:** Human Resource staff present affected employees with information about the options available for volunteers. Other separation issues are discussed including severance pay and continuing insurance. See "Employee Information Sessions" tool in this section for further details. The HR/Redeployment Coordinator staff should be accessible to employees during the voluntary period to discuss other concerns involved with separations from state service, computing length of service, leave accruals and severance, deferred compensation and retirement benefits.
6. **Volunteers:** The employee submits a letter of intent, or similar written notice, to HR/Redeployment Coordinator staff. Letters of intent should be stamped and dated as received.
7. **Separation Awards:** Human Resource staff are available to compute the employee's seniority and accrual numbers and discuss final work day with the employee. The Human Resource/Redeployment Coordinator contacts the employee's supervisor to discuss the employee's last work day. The Human Resource/Redeployment Coordinator creates a layoff letter outlining the employee's final work date and any other requirements to complete the separation process. See "Employee Rights and Benefits" tool elsewhere in this section.
8. **Outcome Review:** The team reviews the outcomes of the voluntary layoff program to determine if additional layoffs are needed.
9. **Involuntary Reductions:** Involuntary layoffs are commenced if needed.
10. **Survey:** Affected employees are surveyed to assess voluntary layoff and results are analyzed and reported.

Voluntary Layoff Process Flowchart



**Voluntary Layoff
Sample Letter**

**STATE OF MINNESOTA
Office Memorandum**

DEPARTMENT:

TO:

DATE: May 23, 1996

FROM: Human Resources Director

PHONE:

SUBJECT: **EARLY OUT INCENTIVE**

The Department has entered into agreements with AFSCME, MAPE and MMA to provide a special early out opportunity to employees. The purpose of this opportunity is to alleviate the need for layoffs which could result from reduced funding next year to Wagner Peyser and JS-R federal grants. This opportunity is available only to eligible employees working in the Workforce Exchange Branch and the Appellate/Commissioner's Representative Tax, or Benefit Payment Control offices of the Production Services Branch.

Employees represented by AFSCME, MAPE or MMA who have reached age 55 on or before July 31, 1996 and have at least 25 years of state service as of that same date are eligible to participate. Employees who wish to take advantage of this opportunity are asked to submit an expression of intent to the Human Resources Office (mail, fax to 297-5343 or E-mail DRADEMAC) no earlier than June 3, 1996 and no later than 4:00 p.m., June 28, 1996.

Eligible employees who elect to leave state service during the window period shall be entitled to a cash payment equal to \$500 for each complete year of state service. The Department will limit incentive payments to an aggregate total of \$400,000. If the total incentive entitlement of all persons who submit expressions of intent exceeds the \$400,000 limit, qualification will be determined by state seniority.

Qualified employees who accept this offer will be required to leave state service on a date no earlier than July 1, 1996 and no later than July 31, 1996.

Information meetings have been scheduled to bring representatives from MSRS, National Benefits, Payroll, Insurance Reps, and others to answer your questions. Meetings have been scheduled for 11:30 to 1:00 on June 6 and June 13 in the Video Conference Room. Telephone numbers will be provided later to employees who are unable to attend the meetings who have questions they wish to ask.