



STAFF REDUCTIONS

During this trying economic time, many locations are looking for solutions to cut costs, reduce expenses, and work more effectively. Many locations realize that one of their major budget items is the compensation paid to the employees. It is frequently the first item to be analyzed when looking to cut costs. Several important issues related to reductions in force (layoffs) should be kept in mind when considering reductions in staff. This HR Connect will review several of those issues.

Before eliminating one or more positions, the following options should be considered:

Open Positions – Consider freezing open positions and reallocating the work among existing staff. An analysis of the remaining positions may be beneficial to balance the workload and assure that the employees have the necessary skills to take on the added responsibility. (Refer to HR Connect Issue #1, “Tools for Staffing Analysis”)

Retiring employees – Consider not replacing those employees by cross training other employees. (Refer to HR Connect #18 “The Coaching Tool of Delegating”)

Reduction in hours - Can some work of some positions be done with fewer hours? (Example – Director of Religious Education had managed a very large Religious Ed Program. The number of participants dropped dramatically and the DRE position was analyzed and subsequently reduced in hours and responsibilities to a Coordinator of Religious Ed.

Unpaid Leaves of Absences, Sabbaticals – Would any employees be interested in taking “unpaid” time off of one week to up to three months? We have had several employees at the Pastoral Center do this and the payroll costs were reduced by thousands of dollars.

Has the budget been reviewed to identify other non-compensation expenses that can be reduced or eliminated? The following excerpts regarding involuntary terminations from HR Connect, Issue 41, “Termination Guidelines” are included in this issue for your convenience.

TERMINATION GUIDELINES

This issue of HR Connect is intended to provide guidance to our parishes and other locations in handling the important steps and requirements associated with employee terminations, whether they are voluntary or involuntary. This issue will also provide a sample of a Termination Checklist that may be customized to fit the needs of your location.

OVERVIEW

When an employee leaves, we need to be certain to follow the laws that govern an employee’s final pay as well as safeguarding and recovering any property that belongs to the Parish or the Archdiocese.

TERMINATION CHECKLIST

The following checklist may help your location implement the termination procedures in accordance with Archdiocesan policy and the law.

I. ITEMS TO COLLECT FROM THE TERMINATING EMPLOYEE (CHECKLIST)

- Resignation letter Keys Uniform
- Mobile phone Credit cards Other: _____

Items to be returned later: _____

II. ITEMS TO GIVE TO OR DISCUSS WITH THE TERMINATING EMPLOYEE

- ◆ Employees have the duty to keep confidential information that they may have learned during the course of their employment (e.g. donor names, etc.)
- ◆ Final paycheck (including, if applicable, all unused vacation)

- ◆ Benefits continuation, if applicable (e.g. COBRA health insurance; pension)

Note in 2009: The employee should be advised of the final date of their health care benefits unless the employee is interested in extending it under COBRA (health insurance continuation). Thanks to the president's economic stimulus package, there is a provision that offers you a subsidy for COBRA requiring that the employee pay only 35% of the cost of COBRA. This is available for up to 9 months (though less the individual becomes eligible for health coverage at your next place of employment).

III. FORMS TO BE COMPLETED BY EMPLOYER

- ◆ **Employee Separation Report** – This is for the purpose of tracking unemployment claims. Form must be filled out and signed by both the employee and employer. (Parish "Form 205": White copy to HR; Yellow copy to Parish file; Pink copy to Claims Administrator; and Gold copy to employee)
- ◆ ADP final paperwork - **Employee Master File Input Form**
- ◆ **Employee Benefits Enrollment/Change** form (if employee was benefits eligible – Send to AAG.)

Involuntary Termination

*[Excerpt from Parish Employee Handbook, Employment Relationship, Page 1]
Outside insurance coverage for parish for legal claims arising from "wrongful" termination or non-renewal of employees is limited and self insurance protection is contingent upon compliance with internal checks and balances. To avoid compromising (and, potentially, losing) insurance coverage, the Pastor must seek and receive the written clearance of the Archdiocesan Office of Human Resources before terminating any employment or not renewing the employment of any employee hired under an authorized and written employment agreement. Before issuing any such clearance, the Office of Human Resources will consult with the Archdiocesan Legal Office.*

STEP TWO: EMPLOYER MUST AVOID TERMINATING AN EMPLOYEE FOR ILLEGAL REASON

Various state and federal laws protect employees from being fired for certain reasons. So, employers may not fire, employees (even if they're "at-will" employees):

- Because of the employees' protected individual characteristics: such as Race, Sex, Color, Age
- Because the employees refuse to violate laws for their employers
- In retaliation for an employee's exercise of legal rights, such as filing a worker's comp claim or reporting wrongdoing, etc.

Employers Should Make Written Record of Reasons for Termination Although employers are not required to have a formal discipline program, it's a good idea for employers to keep a written record of an employee's misconduct or poor performance and related discussions with the employee in the employee's personnel file. These records may limit the organization's liability for wrongful discharge or unemployment claims because they will be proof that employees were informed of performance or behavioral problems in advance and given an opportunity to improve before being terminated.

STEP THREE: COMPLETE ADMINISTRATIVE REQUIREMENTS

On their last day at work, the employer must give terminated employees certain items and may take care of other housekeeping issues as noted above in the checklist. For example:

- Must give any required notices (a termination notice)
- Must give a final paycheck to all involuntarily terminated employees **on their last day of employment** including pay for any unused vacation
- May collect company property (such as keys and uniforms) or get an agreement for a payroll deduction for unreturned items, advances, and debts; and
- Must complete the Employment Separation Report (described above)

Remaining Employees

- **Moral Support** – Be extra vigilant of your coworkers. Look for areas where someone may be looking for help, but afraid to ask. Look for opportunities to help each other.
- **Emotions** – Some employees who are laid off experience a grief process including a rollercoaster of emotions including denial, anger, feeling helpless, depression and acceptance. These people need out prayers and support so they can move forward, explore different career options and be ready to take the next step. They may benefit greatly from accessing the **Employee Assistance Plan** while it is available to them.

Please do not hesitate to contact the Office of Human Resources, if you have any questions or if you have any indication that you may be terminating any employee's service with the Archdiocese. Contact Persons: Carl Feil, Director of HR (415) 614-5541 or Patrick Schmidt, Associate Director of HR (415) 614-5538.