HUMAN RESOURCES

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SECTION: HUMAN RESOURCES
SUBJECT: EMPLOYEE TRANSITION

PURPOSE:
When Legacy is required to make business decisions that may result in the elimination of positions and employee transition, Legacy strives to assist employees through these situations.

DEFINITIONS:

Regular employee
A regular employee is any non-temporary employee whose employment is expected to last six months or longer.

Temporary employee
A temporary employee is any employee who has been hired to work for a period less than six months, for less than 1000 total hours.

Full time employee
A full time employee is any non-exempt employee who is budgeted to regularly work 72 or more hours per pay period, or an exempt employee who has been hired at a full-time equivalent of 0.9 or greater.

Part time employee
A part time employee is any non-exempt employee who is budgeted to work 71 or fewer hours per pay period, or an exempt employee who is budgeted at a full-time equivalent of 0.89 or less.

Manager
A Manager is any regular employee of Legacy Health who meets all of the following criteria:
a) Has the primary duty of managing a department or supervising at least two employees.
b) Has the authority to hire and terminate those employees managed or supervised, approves L-time, responsible to complete performance reviews, etc.
c) Regularly exercises independent judgment and discretionary power.

Position Elimination
A position elimination means the position no longer exists. Legacy does not consider an increase in budgeted hours to be a position elimination.

Reasonably Comparable Position
A reasonably comparable position satisfies all of the following criteria:
  a) It is a benefit eligible position
  b) The employee’s base rate in the primary job code is maintained or the new base rate is no more than 10% below the current base rate

ELIGIBILITY FOR SEVERANCE:

In exchange for a full release of claims, an employee may qualify to receive severance, assuming all conditions below are also met.

In the event of questions regarding eligibility and participation of employees, these will be resolved by Human Resources.

1. Employees who meet all of the following requirements are eligible for transition benefits:
a) Regular full-time or part-time benefit eligible employee immediately prior to the layoff date.
b) Position has been eliminated, or the budgeted hours have been reduced resulting in a loss of eligibility for benefits.
c) Successful completion of the introductory period of employment prior to position elimination date.
d) Not covered by a collective bargaining agreement with Legacy Health unless the collective bargaining agreement specifically requires coverage under this policy.
e) Not covered by any other severance or transition policy or program, or are not otherwise excluded from policy.

2. An eligible employee is entitled to receive severance benefits in connection with a reduction in workforce if;
a) The employee’s employment terminates because the position is eliminated or because the employee declines an offered transfer to a position that is not a reasonably comparable position; or
b) The employee’s work hours are reduced such that the employee is no longer eligible to participate in the health and welfare benefit plans maintained by Legacy Health.
3. An otherwise eligible employee may **not** be entitled to severance benefits if they:
   a) Voluntarily terminate their employment before the severance date, or
   b) Retire before the severance date, or
   c) Are involuntarily terminated for performance or conduct reasons before the severance date, or
   d) Received an offer of a reasonably comparable position within Legacy Health, regardless of whether the employee accepts the offer, or
   e) Received an offer to continue employment in a reasonably comparable position with the contractor or purchaser of assets if the job was eliminated due to the unit/department being sold or contracted to an outside service, regardless of whether the employee accepts the offer.

4. **Severance Pay** is calculated by the following guidelines:
   a) Eligible employees will receive the following severance pay:
      1. Non-Management employees will receive the greater of 2 weeks of pay, or 1 week of pay for every full year of service up to a maximum of 16 weeks of pay.
      2. Management employees will receive the greater of 4 weeks of pay, or 1 week of pay for every full year of service up to a maximum of 20 weeks of pay.
   b) Years of service will be calculated using the most recent date of hire or rehire within Legacy Health. If severance was previously paid due to a qualifying event, years of service will be calculated using the effective date of that qualifying event.
   c) Unused APL shall **not** be used to extend the length of service for calculation of severance pay. All unused APL will be paid in a lump sum, subject to applicable withholdings, in the final paycheck which is paid on the last day worked.
   d) Severance pay will be calculated using the base hourly rate multiplied by the budgeted weekly hours or average weekly hours, whichever is greater (not to exceed 40 hours weekly)
      1. Base hourly rate is the hourly rate of the primary job code in effect on the date of severance, and includes shift differential for those non-exempt employees who regularly work a shift qualifying for the differential.
      2. Budgeted weekly hours are the regular budgeted hours per pay period divided by 2.
      3. Average weekly hours are the total regular hours paid (including Annual Paid Leave used and premium shifts worked, but not overtime hours) during the preceding 13 pay periods, divided by 26.
   e) Severance pay is paid on a regular pay period basis typically starting with the first pay period following the severance date. Payments stop on the date when the employee starts work in a reasonably comparable position with Legacy Health or a contractor or purchaser of assets, or when the severance period expires.
   f) For a severance eligible employee who accepts a position that does not have regularly budgeted hours, such as on-call or supplemental, during the severance period, severance pay will be reduced each pay period by the amount of pay (which includes compensation such as regular hours, premium & incentive pay,
etc.) received from Legacy Health. If a severance eligible employee accepts a reasonably comparable position, he or she will not be eligible for severance.


Cross-referenced Policies:

LHS.500.105 Temporary Reductions in Staff Hours
LHS.500.108 Termination of Employment
LHS.500.201 Pay Practices
LHS.500.303 Bridging Employment
LHS.500.304 Annual Paid Leave (APL)

Approval: Human Resources Leadership
           Executive Council
Originator: Human Resources Leadership
Owner: Human Resources – Employee Relations
ADDENDUM:

EXCLUDED JOB CLASSES:

Due to the limited duration or supplemental/on-call nature of their positions or eligibility for an alternate severance program, some otherwise benefit eligible employees are not eligible to receive benefits under this Policy. These positions are listed below:

- Employees without FTE (Per Diem, On Call, Supplemental represented in status codes A4-A6, L4-L6, P4-P6, S4-S6)
- Temporary employees (status code A7)
- Leased employee treated as an employee solely because of section 414(n) of the code
- Residents (job codes 05045, 05159, 05244, 05819, 05820, 07301, 07806, 07807, 07808, 07813, 07814)
- Extern Student Nurses (job code 02305)
- RN Interns (job code 06148)
- Fellows (job codes 05218, 07600, 07602, 07603)
- Research Students (job code 04277)
- MHN (Process Level 570)
- Credit Union (Cost Center 400-1140)
- Professional Exempt (job code 05320)
- Professional Non Exempt (job code 05618)
- Physicians or other employees who are eligible for severance under a contract, severance plan or other policy