

**CALIFORNIA INSTITUTE OF TECHNOLOGY
STAFF PERSONNEL MEMORANDA**

Subject: TERMINATIONS	Memo No.: 14 Total Pages: 11 Date: October 12, 2020
Approved by: Julia M. McCallin, Associate Vice President for Human Resources	

(This supersedes Memo No. 14, dated October 4, 2019)

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 or other approved time off

An employee who fails to return to work from a leave of absence or an approved extension within the approved time period, or other approved time off, without notifying their supervisor or Employee Relations, may be considered to have abandoned their job and voluntarily resigned. Employees on approved time off 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 their supervisor may be considered to have abandoned their job and voluntarily resigned. Supervisors should review all potential job abandonment situations with Employee Relations.

(5) Reemployment after a Voluntary Resignation

Employees who have completed their initial Introductory 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 Summary Plan Description for treatment of benefits, including the Institute's defined contribution retirement plan:

<https://hr.caltech.edu/departments/total-rewards/benefits/spd>

b. Involuntary Terminations

Employees may terminate their employment at any time for any reason, with or without notice, as may the Institute.

Employees who are involuntarily terminated may, in the Institute's sole discretion, be offered the opportunity to resign, provided however, that if the employee elects resignation, they give up the right to file an appeal using the Problem Resolution process. If the Institute offers the employee the opportunity to resign, employees are responsible for informing Employee Relations within ten calendar days of their termination date of their decision to resign. Under such circumstances, it will be documented that the employee's resignation 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:

- 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;
- video or audio monitoring or recording of other person(s) without their express written permission before each/any recording;
- 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 slowdown 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 consistent with applicable law. For further information, please see Institute Policy on Acceptable Use of Electronic Information Resources [here](#);
- a violation of safety or security policies or practices;
- a violation of business ethics policy or practices;
- accessing/downloading pornographic material;
- a violation of any of the Institute's policies;
- 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, incomplete or misleading and
- Other misconduct of any kind

(2) Introductory Period Release

Supervisors should contact Employee Relations as soon as any concerns arise during an Introductory Period.

a. New Hires

Upon employment, employees are placed on an Introductory Period. An employee who is in their Introductory Period, like all employees, may be terminated with or without warning or notice at any time during the Period. Employees who are terminated during their Introductory 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 may be placed on Introductory status in order to determine the appropriateness of the placement. The employee may complete the Introductory Period at any time, subject to approval by Human Resources.

(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 or funding 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, as determined by management, the incumbent does not possess to the same degree as the replacement.
- Loss of funding or other budget constraints.
- Change in direction, focus or method of carrying out the Institute's activities that as determined by management results in the Institute no longer having a need for the incumbent's services.
- 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 management'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 reasonably possible.

Under certain circumstances, employees may receive advance notice of termination as determined by Human Resources and/or 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. Notice under WARN and CA WARN will run concurrently with any Separation Notice provided.

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

Caltech policy provides that 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 Introductory 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 **overtime eligible** 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, the employee 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 the amount of advance notice of termination under the Worker Adjustment Retraining and Notification Act (WARN) or a similar state statute (CA WARN). If this applies to a layoff, Human Resources will provide the required amount of notice. This notice 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. That is, the Separation Benefit notice period begins on the same day, and runs concurrently with, the WARN/CA WARN notice period. Upon completion of the WARN/CA WARN notice period, the Separation Notice the employee received during the WARN/CA WARN notice period will be subtracted from any Separation Benefit for which the employee is eligible. If the employee is eligible for a Separation Benefit that exceeds the 60 day WARN/CA WARN notice period, they will receive the difference as Separation Notice or Separation Pay. If they are eligible for a Separation Benefit that is less than the 60 day WARN/CA WARN notice period, the employee will be terminated upon completion of the WARN/CA WARN notice period.

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 within 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 their weekly scheduled hours and receives a prorated Separation Benefit.
2. The employee may opt to decline the reduction of their weekly scheduled hours, be terminated, and elect to take their 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 have accepted a position at the Institute or been offered a comparable 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, as described in [PM 15-2, "Paid Time Off for Benefit Based Employees"](#), 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 after the last layoff in a twelve month period.

(g) Reemployment after a layoff

Regular, benefit-based employees who have completed their initial Introductory Period and who are subsequently laid off and reemployed within the reemployment period set forth below will be credited with prior service for purposes of eligibility for sick leave and vacation accrual, credit for service awards and other applicable benefits.

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 Summary Plan Description for treatment of benefits, including the Institute’s defined contribution retirement plan:

<https://hr.caltech.edu/departments/total-rewards/benefits/spd>

(h) Final Checks

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 72 hours advance notice will receive a final paycheck within 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.

(i) 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 Caltech property assigned to them.

(j) Termination Inquiries and Employment Verification Requests

All inquiries by outside organizations and individuals 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.

3. Furlough Policy

Under circumstances that require a temporary work stoppage or reduction in work hours 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. The employee's employment has not been terminated during a furlough, as there is an expectation (but not a guarantee) that the employee will be returned to their regular position when the temporary work stoppage or reduction in work hours ceases; however, the employee will not be paid their regular wages while furloughed.

For purposes of calculating benefits, for employees on furlough periods of less than 1 year, there is no break in service.

An employee on a furlough will retain the vacation and sick time balances accrued up to the beginning of the furlough period, but will not 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. Employees on a partial furlough will accrue vacation, sick, and personal holiday time proportional to their actual hours worked.

Upon notification of furlough, an employee may voluntarily elect to use all or a portion of their earned, but unused, vacation and personal holiday while on a furlough, except as otherwise required by law. If the employee voluntarily elects to use vacation, it must be contiguous. (For example, an employee may not go between furlough and vacation during the period). Exempt employees are required to use vacation in full-day increments. The employee will remain on a furlough until the work stoppage or reduction in work hours has ceased and the employee has been approved to return to work.

Employees placed on a furlough or reduced work schedule due to a work stoppage or reduction in work hours may voluntarily elect to receive a one-time lump sum payment of the employee's earned but unused vacation and personal holiday accruals to cover all or a portion of the number of unpaid hours directly attributable to the furlough. The accrual balance available for the lump sum payment will reflect any vacation accruals deducted if the employee elected to use vacation during the furlough as noted in the paragraph above.

An employee is not eligible for Separation Benefits in the event that they are affected by a work stoppage or reduction in work hours that results in a furlough.

The Institute will contribute the employer's portion of the relevant health and welfare benefits for a period of 90 days. The 90-day period will start on the first of the month, following the month the employee was placed on furlough status.

4. 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.