

**CALIFORNIA INSTITUTE OF TECHNOLOGY  
LAYOFF NOTICE POLICY FOR GRANT FUNDED EMPLOYEES**

**(Adopted September 20, 2023, for grant-funded employees who receive notice of  
layoff on or after September 20, 2023)**

1. **Introduction.** The purpose of this California Institute of Technology Layoff Notice Policy for Grant Funded Employees (the “Policy”) is to provide a specified notice period to eligible employees of the Institute whose employment is terminated by the Institute because of a “Layoff.”

2. **Important Terms.** To help you understand how the Policy works, it is important to know the following terms:

(a) **“Administrator”** means the officers of the Institute as delegated by the Board, or any person to whom the Administrator has delegated any authority or responsibility pursuant to Section 5, but only to the extent of such delegation.

(b) **“Board”** means the Board of Directors of California Institute of Technology.

(c) **“Institute”** means California Institute of Technology and its Divisions, including Jet Propulsion Laboratory, and any successor to its business and/or assets which assumes the Policy by operation of law, or otherwise.

(d) **“COBRA Subsidy Period”** means a period of one (1) month for each year of a Covered Employee’s uninterrupted service with the Institute, up to a maximum of six (6) months.

(e) **“Covered Employee”** means an individual who (i) is classified by the Institute as a “regular benefit based employee” employed by the Institute at any time during the term of this Policy, (ii) is funded in whole or in part by a grant at the time of receiving layoff notice, (iii) has completed a 180 day (six months) introductory period of employment with the Institute, and (iv) receives notice of layoff on or after September 20, 2023. An individual who otherwise is a Covered Employee shall continue to be considered a Covered Employee for purposes of the Policy if he or she is on an Institute- approved leave of absence immediately prior to his or her Layoff Effective Date. The Policy does not apply to anyone who is classified by the Institute as an independent contractor, an employee of a temporary agency who perform services to the Institute, or a consultant to the Institute. Faculty are not covered under this policy.

(f) **“Effective Date”** means September 20, 2023.

(g) **“Layoff”** means an involuntary termination of a Covered Employee resulting from: (i) a reorganization or a reduction in force; (ii) a redirection of work due to the cessation of, or change in, the activities or funding of the Institute; (iii) a change in job function or technology which results in the Covered Employee’s position being eliminated or filled by an individual who has the requisite skills, knowledge or abilities which, in management’s opinion, the Covered Employee does not possess to the same degree as the replacement; (iv) loss of funding or other budget constraints; (v) 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 Covered Employee in management’s

opinion; and/or (vi) an involuntary reduction of a Covered Employee's regularly scheduled hours by fifty percent (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.

(h) **"Layoff Effective Date"** means the effective date of the Covered Employee's Layoff.

(i) **"Layoff Notice"** means advance notice of a Covered Employee's Layoff Effective Date as set forth in Section 3.

(j) **"Layoff Notice Period"** means the advance notice period set forth in Section 4.

(k) **"Retirement Eligible"** means that a Covered Employee is 55 years of age or older with 10 or more years of continuous benefit-based service with the Institute as of the Layoff Effective Date.

**3. Layoff Notice Process.** The Institute will use good faith efforts to provide an eligible employee with a Layoff Notice according to one of the schedules set forth in Section 4. An individual will not be eligible to receive a Layoff Notice under the Policy unless he or she is a Covered Employee on the date that the Layoff Notice is to be provided. The Institute will continue to pay the Covered Employee's base salary, and the Covered Employee will continue to accrue benefits in accordance with the terms of the applicable employee benefit plan or program, provided that the Covered Employee remains employed and continues to report for active work during the Layoff Notice Period. During the Layoff Notice Period, a Covered Employee must also continue to comply with the terms of any written agreement with the Institute, including any confidential information agreement and any proprietary information and inventions agreement. Notwithstanding the foregoing, the Institute expressly reserves the right to terminate the employment of any of its employees at any time, with or without cause.

**4. Layoff Notice Period.** The Layoff Notice Period shall be as follows:

(a) **Schedule 1.** For Covered Employees who are "exempt employees" as of their Layoff Effective Date, the Layoff Notice Period shall be Twenty-one (21) working days, plus an additional five (5) working days for each year of uninterrupted service, up to a maximum of one hundred thirty (130) working days (26 weeks).

(b) **Schedule 2.** For Covered Employees who are "non-exempt hourly employees" as of their Layoff Effective Date, the Layoff Notice Period shall be Twenty-one (21) working days, plus an additional five (5) working days for each year of uninterrupted service, up to a maximum of 65 working days (13 weeks).

(c) **Special Rule for Reductions in Work Hours.** If a Covered Employee's regularly scheduled hours are reduced by 50% or more per week, as determined by the Institute, the employee may either (i) remain employed or (ii) decline the reduction of his or her weekly scheduled hours,

have their employment terminated, and receive his or her full layoff notice benefit.

(d) The Layoff Notice Period will be prorated based on the number of hours the Covered Employee works on a regularly scheduled basis, as determined by the Institute in its sole discretion. For example, a part-time Covered Employee working 20 hours a week may be eligible for 50% of the Layoff Notice Period that a full-time Covered Employee who is scheduled to work 40 hours a week would otherwise receive,

(e) **Years of Uninterrupted Service.** A partial year of uninterrupted service with the Institute only will count as a year of uninterrupted service with the Institute if it exceeds eleven (11) full months.

(f) **Eligibility for Separation Notice Benefits.** An individual is eligible for the Separation Notice Benefit under this Policy, only if he or she is a Covered Employee on the Layoff Effective Date and fulfills all conditions. Employees who have received notice of layoff but have accepted a position at the Institute, or who have been offered a comparable position at the Institute, prior to the Layoff Effective Date are ineligible for any Separation Notice Benefits under this Policy. A comparable position is a position that is at the same or greater grade, and same or greater pay, as the position that was eliminated, as determined by the Institute in its sole discretion.

5. **Administration.** The Policy shall be administered and interpreted by the Administrator (in his or her sole discretion). Any decision made or other action taken by the Administrator and any interpretation by the Administrator of any term or condition of the Policy, or any related document, shall be conclusive and binding on all persons and be given the maximum possible deference allowed by law. Any decision made or other action taken by the Administrator with respect to the Policy, and any interpretation by the Administrator of any term or condition of the Policy, or any related document, shall not be subject to review unless found to be arbitrary and capricious. In accordance with Section 2(a), the Administrator may, in its sole discretion and on such terms and conditions as it may provide, delegate in writing to one or more officers of the Institute all or any portion of its authority or responsibility with respect to the Policy; provided, however, that any Policy amendment or termination or any other action that could reasonably be expected to increase significantly the cost of the Policy must be approved by the Board of Trustees.

6. **Eligibility to Participate.** To the extent that the Administrator has delegated administrative authority or responsibility to one or more officers of the Institute in accordance with Section 2(a) and Section 5, each such officer shall not be excluded from participating in the Policy if otherwise eligible, but he or she is not entitled to act or pass upon any matters pertaining specifically to his or her own benefit or eligibility under the Policy. The Administrator shall act upon any matters pertaining specifically to the benefit or eligibility of each such officer under the Policy.

7. **Sole and Entire Understanding; Amendment or Termination.** This Policy constitutes the sole and entire understanding with respect to the matters set forth herein. It expressly supersedes California Institute of Technology Staff Personnel Memorandum No. 14, dated December 1, 2021 and earlier versions, as well as any other oral or written promise of severance or layoff benefits or remuneration of any kind with respect to any layoff that becomes effective after the effective date of this Policy. The Institute, by action of the Administrator, reserves the

right to prospectively or retroactively amend or terminate the Policy at any time, without advance notice to any Covered Employee and without regard to the effect of the amendment or termination on any Covered Employee or on any other individual. Any action of the Institute in amending or terminating the Policy shall be taken in a non-fiduciary capacity.

**8. No Enlargement of Employment Rights.** Neither the establishment or maintenance of the Policy, any amendment of the Policy, nor the making of any benefit payment hereunder, shall be construed to confer upon any individual any right to be continued as an employee of the Institute. The Institute expressly reserves the right to terminate the employment of any of its employees at any time, with or without cause, including before the expiration of any Layoff Notice Period.

**9. Applicable Law.** The provisions of the Policy shall be construed, administered, and enforced in accordance with the internal substantive laws of the State of California, and construed accordingly, without giving effect to principles of conflicts of laws, and construed accordingly.