



Department of Transformation and Shared Services Office of Personnel Management

Policy Title: Reduction in Workforce (RIF) and Severance Pay

Policy Number: 64

Authority: Ark. Code Ann. § 21-3-301 *et seq.* and § 21-5-223

Effective Date: August 6, 2024

This policy is developed to assist departments in determining when to implement a reduction in force (RIF) and how to implement it with the least possible impact on the department and its employees. A department may need to implement a RIF, thereby terminating one or more employees without prejudice, for reasons including, but not limited to, the following:

1. To permit reinstatement of employees upon release from military service;
2. Significant organizational structure changes, including abolishment of positions or duties, curtailment of work, loss of functional responsibility by the department; or
3. The loss/non-renewal of funding, grants or other special funds, or to promote department efficiency.

A RIF is the least desirable method of solving staffing issues and department secretaries are encouraged to examine alternatives prior to initiating a RIF including not filling vacant positions, eliminating extra help or temporary positions, reducing work hours with proportionate pay cuts, assessing expected job attrition, job sharing, reviewing professional services contracts, and limiting travel.

This policy does not constitute any employment contract or agreement, either expressed or implied, between the department and its employees and does not abrogate the employment-at-will doctrine. This policy applies to all jobs except where specified by federally mandated requirements. This policy is subject to change without prior notice, wholly or in part. Employees will be notified of any substantive changes.

DEVELOPING GOALS FOR THE RIF

Once it is determined the programs or divisions that will be eliminated, the department should develop a timeline of the actions that need to occur before, during, and after the RIF. The department should develop goals for the workforce reduction, including what the department wants to accomplish and when. In developing goals, the department should consider the impact of a RIF, including what work will need to be performed after the reduction and what existing positions or employees will be used to perform it. The following should be considered:

1. The budget conditions creating the need for a RIF. A department should identify the number of employees that need to be out-placed in order to meet the cost goals.
2. Positions, programs, or divisions that are critical to the department's mission. The department secretary should consider positions providing direct services to the public and any regulatory and enforcement responsibilities as being critical to the department's operations, unless the department secretary determines that it can maintain current levels of operations with less personnel and/or locations.
3. The geographic location of the positions, programs, or divisions.

SEPARATION CRITERIA

Employees occupying emergency, provisional, non-disciplinary probationary, extra-help, part-time, intermittent, or temporary positions within that program or division are the first to be separated from the department, with



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the exception of a condition where these employees occupy positions operating as full-time employees in a regular position, based on special language, or where such positions are being used to staff critical positions.

Separation

A department should utilize the following criteria in determining the positions to be eliminated, giving considerable weight to 1-4:

1. Employee's previous 2 years of performance evaluations
2. Employee's demonstrated skills to perform the job
3. Employee's previous 2 years of disciplinary history
4. Employee's veteran status
5. Employee's current work assignments
6. Employee's years of service

Evaluating Objective Criteria

Employees shall be rated on the basis of the above retention criteria without regard to the employees' race, color, religion, gender, age, national origin, disability, or political affiliation. The results of the employee rating process should be analyzed for potential adverse impact based on age, sex, and race. Employees on authorized leave of absence will be protected under this policy until such time they are eligible for return to work. If a tiebreaker is necessary, departments may use months and days of state service. If an additional tiebreaker is needed, the department should use any non-discriminatory method deemed as approved by the Office of Personnel Management (OPM).

Employee Notice

Department secretaries are to give employees in positions that will be eliminated advance written notification as soon as possible, preferably 30 calendar days. At the time of notice, the department is to provide the affected employees their outstanding leave balances, continuation of benefits and available outplacement assistance. Employees are allowed to collect their personal belongings prior to termination, with or without supervision.

Reporting

Each department that implements a workforce reduction shall file a report with OPM. The report shall include the names of out-placed employees, job titles, salaries, programs, work units involved in the layoffs, and whether severance payments will be made. OPM will submit the report to the Personnel Committee of the Legislative Council at the next regularly scheduled meeting.

Positions Affected by a RIF

All positions that have been targeted as workforce reduction positions must be frozen and may not be used until approved by the Secretary of the Department of Transformation and Shared Services (TSS). This does not apply when the RIF is due to reinstatement of employees upon release from military service.



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Following implementation of a workforce reduction, the positions left vacant will be filled pursuant to the Special Reemployment Consideration section of this policy.

Implementation of a workforce reduction shall not be considered a disciplinary action.

Severance Pay

An department may, upon the approval of the TSS Secretary, authorize a net lump-sum severance payment to full-time, part-time, and job-sharing employees in a regular position according to the following schedule for completed years of services, including any formally implemented probationary period:

Years of Service	Net Amount of Severance Pay
Over one (1) year of service up to five (5) years of service	Eight hundred dollars (\$800)
Over five (5) years of service up to fifteen (15) years of service	One thousand, two hundred dollars (\$1,200)
Over fifteen (15) years of service	One thousand, six hundred dollars (\$1,600)

The severance payment shall not be construed as exceeding the maximum salary and these payments shall be in addition to any lump-sum payment for annual or sick leave. If severance payments are authorized, all employees affected by the RIF must receive a severance payment, unless the employee terminates, retires or transfers to another position within the same or another department prior to the effective date of the RIF.

SPECIAL REEMPLOYMENT CONSIDERATION

RIF List

Employees affected by a workforce reduction will receive special reemployment consideration. The list of employees eligible for special reemployment consideration is maintained by OPM and made available to department human resources personnel upon request.

Length of Reemployment Consideration

Special reemployment consideration begins on the date the employee receives notification of a workforce reduction and is extended for a period of twelve (12) months from the date of separation. If an affected employee decides to retire or apply for retirement after receiving an official written notice of the workforce reduction, special reemployment consideration will not be extended.

An employee who has established veteran's preference and is affected by the workforce reduction shall be



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eligible for reemployment for a period of time no less than the continuous period of his or her service in an agency.

Job Advertising and Hiring

Prior to advertising any vacant position, department should review the RIF list and determine if there are employees who may qualify for the vacant position. The department may contact OPM or decide to conduct interviews with those employees to determine if their experience and education meet the minimum qualification requirements of the vacancy. Departments are allowed to forego the advertising requirements should the interview result in the selection of an employee who has been separated due to a workforce reduction.

If the vacancy is not filled by an out-placed employee and the department wishes to receive other applications for consideration, the vacancy must be posted on the official Arkansas employment website at [ARCareers](#) for 5 business days.

An employee who accepts employment in a lower graded position on the same pay table may continue to receive the same rate of pay the employee received in the higher graded position after approval by OPM; however, the rate of pay cannot exceed the maximum of the lower graded position. Approval by the Legislative Council or Joint Budget Committee is required for the employee's salary to exceed the maximum of the lower graded position. If an employee accepts a position that is on a different pay table, the move is considered a transfer and the employee's rate of pay will continue unless the employee's salary falls below the entry pay level of the new grade or if a special rate of pay has been established.

An employee who is separated for more than thirty (30) working days and accepts a new position is eligible for the employee's last rate of pay not to exceed the maximum.

A department must notify OPM as soon as possible if they hire an employee from the RIF list. An employee who accepts a position and begins employment will be taken off the RIF list and is no longer eligible for reemployment consideration.