

POTENTIAL COST SAVINGS PROGRAMS

SYSTEM WIDE



COST SAVINGS PROGRAMS

Departments must coordinate with the Employee Relations for any of the following cost savings programs:

- Reduction In Force (RIF)
- Voluntary Separation Program (VSP)
- Retirement Incentive Program (RIP)

Programs are initiated by the department/college and are not employee entitlements.

REDUCTION IN FORCE (RIF)

A reduction in force is a defined process to eliminate covered FTE positions for one or more of the following reasons:

- Reorganization,
- Work shortage,
- Loss of funding or
- Outsourcing/privatization.

Non-covered positions (Probationary, Temp, etc.) must be eliminated prior to eliminating any covered FTE positions.

REDUCTION IN FORCE (RIF)

Employees affected by a RIF may be:

- Involuntarily separated,
- Involuntary demoted,
- Reassigned, or
- Reduction in work hours.

Employees affected by a RIF will have bumping, recall and reinstatement rights.

REDUCTION IN FORCE (RIF)

Components of a RIF:

- Competitive Area(s): department, unit, or geographic location
- Competitive Group(s): state class title or series
- Identification of number of positions in each class to be eliminated
- Retention points based upon EPMS scores and continuous State service

REDUCTION IN FORCE (RIF)

Bumping Rights:

A covered employee in a State class title with a higher pay band has the right to displace, or bump, another covered employee in a State class title with a lower pay band (within the competitive area and competitive group) who has accumulated less retention points. Under no circumstances may an employee gain from a RIF. Bumping rights are provided only downward.

A Retention of Necessary Qualifications (RNQ) is used when an agency has determined that an employee with higher retention points will not be able to satisfactorily perform the duties of the job, within a reasonable training period, based on the lack of knowledge, abilities, skills, supervisory responsibilities, or necessary experience

REDUCTION IN FORCE (RIF)

Recall and Reinstatement Rights:

Recall: If a vacancy occurs within the competitive area, within the same State class title, the agency will recall eligible employees in the inverse order of the layoff.

Reinstatement: Allows employee benefits to be restored if the employee accepts another FTE position within State government. Reinstates accumulated sick leave and the option to buy back annual leave at the rate it was previously paid out.

Both rights are available for one year from the effective date of the RIF.

Grievance only allowed based on improper or inconsistent application of the RIF policy.

VOLUNTARY SEPARATION PLAN (VSP)

The VSP is a management tool that provides a financial incentive for FTE employees to voluntarily separate or retire.

The maximum amount of the incentive may not exceed one year of the employee's base salary, although the university may apply additional limits.

VOLUNTARY SEPARATION PLAN (VSP)

Participating employees cannot be reemployed into an FTE position with the State of South Carolina for two (2) years from the date of their separation, unless the employee reimburses the university on a pro-rata basis for the benefits received.

Program guidelines require units to demonstrate recurring cost savings within two (2) fiscal years, beginning with the fiscal year in which the separation occurs.

RETIREMENT INCENTIVE PLAN (RIP)

The RIP is a management tool that provides an incentive for employees to voluntarily retire.

Departments may purchase service credit on behalf of employees who are currently eligible to retire **or** to purchase the amount of time necessary to make employees eligible to retire.

- Applies to SCRS and PORS, not to ORP
- Maximum of 5 years may be purchased
- Service credit can be “qualified” or “non-qualified”
- Cost cannot exceed one year’s annual salary

RETIREMENT INCENTIVE PLAN (RIP)

- A department's plan may declare an employee or categories of job classifications ineligible based upon financial considerations or on the business needs of the department. To retain employee(s) in order to continue its mission. The decision of the department is final.
- Participating employees cannot be reemployed into an FTE positions at the university for two (2) years from the date of their separation.
- Program guidelines require departments to demonstrate recurring cost savings within two (2) fiscal years, beginning with the fiscal year in which the separations occur.

RETIREMENT INCENTIVE PLAN (RIP)

- An agency's plan may declare an employee or categories of job classifications ineligible based on financial considerations or on the business needs of the organization to retain the employee(s) in order for the agency to continue its mission. The decision of the agency is final.
- Participating employees cannot be reemployed into an FTE position at the university for two years from the date of their separation.
- Program guidelines require units to demonstrate recurring cost savings within two fiscal years, beginning with the fiscal year in which the separation occurs.

COST SAVINGS PROGRAMS

Approvals

- Reduction In Force (RIF) - approved by the VP of HR
- Voluntary Separation Program (VSP) – approved by BOT
- Retirement Incentive Program (RIP) – approved by BOT

All plans must be approved by the Division of State Human Resources (DSHR).

MANDATORY FURLOUGH

COLUMBIA CAMPUS AND PALMETTO COLLEGE

- All 12-month exempt employees affected by mandatory furlough will see reduction in salary starting on the 7/15 check. All 9-Month exempt employees affected by the mandatory furlough will see the salary reduction on the 8/31 check.
- Since mandatory furlough is planned, mandatory furlough must be entered into iTAMS at least a week before it is taken.
- Due to the complexity of mandatory furlough, it is strongly recommended to have a timekeeper to enter the mandatory furlough into iTAMS to ensure accuracy.

QUESTIONS?

THANKS!

Division of Human Resources

