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# Date

# Employee’s Name

# Employee’s Address

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

The purpose of this letter is to formally notify you that your position as \_\_\_\_\_\_\_\_\_\_\_\_ in the College/Department of \_\_\_\_\_\_\_\_\_ is being eliminated due to \_\_\_\_\_\_\_\_\_. In accordance with Chapter 3, Section 3.1h (3) of the University Operations Manual, the College/Department is required to provide you a layoff notice period of \_\_\_\_\_\_ months based on your length of regular and continuous university service and Status. Your last official day of work will be \_\_\_\_\_\_\_\_\_\_\_\_. Your salary and benefits will continue at their current level during the notification period. Please be assured that this action in no way reflects dissatisfaction with your job performance. It is simply due to an inability to provide continued salary support.

Before you begin applying for new P&S positions at the University of Iowa, it is necessary that you complete the University Layoff Program Information ICON Course, Course # WFURLO in the Learning and Development ‘*My Training*’ application in Self Service. This course is for P&S employees who have recently been informed they are being laid-off and will provide you with a valuable understanding of the program options and resources available to you and allow you to focus on your situation.

We have also elected to offer you the option of a lump sum payment with a shorter layoff notice period instead of the layoff notice period listed above. *This is only an option, and you are not required to accept this alternative*. The Lump Sum Payment Option will provide you with a 45-calendar day layoff notification period. If at the end of the 45-calendar day layoff notice period, you have not secured another position at the University of Iowa [or if you have not declined a position for which you were a qualified priority candidate] you will be paid a lump sum instead of the longer notice period for a total amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_. You have 3 weeks (21 calendar days) from the date of this letter to decide whether to elect the Lump Sum Payment Option.

If you elect the Lump Sum Payment Option, you will continue to be eligible to apply for University of Iowa P&S non-organized positions and receive priority status for positions at the same or lower pay level for which you qualify, for one year following the end of your 45-calendar day shortened layoff notice period and your employment will end 45-calendar days from the date of this letter. *If you secure a position during the 45‑calendar day shortened notice period or terminate for any reason before the end of the 45-calendar days, the lump sum will not be paid.*

If you choose *not* to elect the lump sum payment option, your layoff notice period will remain as described in the 1st paragraph above. If you fail to respond within 3 weeks (21 calendar days) from the date of this letter or choose not to accept the Lump Sum Payment Option, the layoff notice period described in the 1st paragraph above will apply.

After you receive this letter and complete the ICON course, you may contact Compensation & Classification at 319-335-0055 to schedule a meeting with Ms. Consuelo Garcia, Sr. HR Specialist. You may also want to look into the Career Development Advising Services (319-335-2664) for assistance with career development services, resume and cover letter assistance, job search strategies, and other helpful career/employment assistance. Lastly, to obtain more information about your employment options, I would encourage you to contact your HR Rep \_\_\_\_\_\_\_\_\_\_\_, at \_\_\_-\_\_\_-\_\_\_\_.

In the course of your employment with the University, you may have at one time, or another had questions and/or needs concerning your health as it related to work. You are welcome to contact Faculty and Staff Disability Services (319-335-2660) for assistance concerning your health and seeking other employment. Finally, you also may wish to access the University’s Employee Assistance Program, Faculty and Staff Services (319-335-2085).

We wish to thank you for your contributions to the \_\_\_\_\_\_\_\_\_\_\_\_College / Department.

If I can offer assistance in any way, please contact me.

Sincerely,

cc: HR Unit Rep

Consuelo Garcia

Attachment: Employee Fact Sheet

# **EMPLOYEE FACT SHEET**

# **LUMP SUM PAYMENT LAYOFF OPTION**

If your position has been eliminated for reasons other than cause, and if your department has offered you the lump sum payment layoff option instead of the longer notice period, the following are some items for your consideration:

* Your vacation accrual available for payout will be smaller than it would be if you leave employment at the end of the longer notice period since the accruals end sooner. This payout will be taxed at your earnings rate on whatever date it is paid.
* Lump sum payments would be taxed at a flat rate unrelated to your income level. This could result in a tax liability when filing annual taxes.
* If the staff member accepts the lump sum payment option, and they are enrolled in university health insurance at the time of their separation, the employee may elect COBRA and the University continues its normal contribution toward the cost of single health insurance for twelve months following termination. An additional 6 months of COBRA coverage is available after the initial 12 months of coverage, but the employee becomes responsible for the full cost. Coverage automatically continues for the additional 6 months and premiums will be charged to the employee unless the employee requests that coverage be discontinued by contacting the University Benefits office.

If the staff member is age 55 or older, they may elect to take the lump sum and retire from the university. This allows them the ability to continue their university health and/or dental insurance coverage for themselves and *their eligible dependents at their own expense.*  (This option is not available if the staff member initially elects COBRA).

* The 45-day notice period provides a shorter window during which you would have priority consideration to vacant positions than does the longer notice period, meaning successful placement is less likely.
* If you return within one year of termination to university employment, you will retain your original employment date for purposes of parking priority and record of service with the University, and your original benefit date affecting retirement, disability, and dental insurance. In addition, you will be eligible for reinstatement of sick leave.  If you are 55 or older there is a possibility for reinstatement of your previous sick leave if you received a one-time payout and if it is paid back in the same tax year as the payout.  Vacation will not be reinstated if the laid-off employee returns to employment, nor can it be purchased back. For the sick leave reinstatement option, you will need to contact and work directly with UI Workforce Operations.