**Layoff Letter: P&S Employees Offered a Lump Sum Payment Option**

**Instructions: Complete all bolded fields and remove the lines in red prior to delivery.**  
*Please contact Compensation and Classification before offering the Lump Sum Payment Option*

**[Date]**

**[Employee’s full name]**

Re: Offer of a lump sum payment

Dear **[Employee’s name]**,

This letter is in follow up to our conversation on **[mm/dd/yyyy]. Y**ou were informed your position as **[position title]** in **[college or department]** is being eliminated due to **[reason for layoff]**. Please be assured that this decision does not reflect your job performance.

In accordance with the University of Iowa Policy Manual (Chapter 3, Section 3.1h), the **[college or department]** must you provide you **[# ]** months’ notice based on your seniority date and Professional & Scientific (P&S) status; therefore, your last day of work will be **[mm/dd/yyyy]**. Your salary and benefits will stay the same during this time.

Please note that you also have the option to elect a one-time, lump sum payment with a reduced layoff notice period. The lump sum option provides a reduced notice period of 45 days. If the notice period ends and you have not declined an offer for a position you’re qualified for, OR found another position at the University of Iowa, you will be paid a lump sum amount of **[dollar amount]**.

You must communicate your lump sum election within 21 days of the date of this letter; therefore, your election must be received in writing no later than **[time]** on **[dd/mm/yyyy]**. You may indicate your election for the lump sum option by emailing **[senior HR leader]** or return the attached form to Human Resources at **[location]** between the hours of **[times]**.

If you choose the lump sum payment,

* You maintain the ability to apply for non-organized P&S positions.
* You will have layoff considerations for qualified positions at the same or lower pay level for one year after your 45-day notice ends.
* Your employment will end on **[dd/mm/yyyy]**, 45 days from the date of this letter.
* You secure a position during the 45-day notice period OR leave for any reason prior to **[mm/dd/yyyy],** you will NOT receive the lump sum payment.

Should you decline or fail to accept the lump sum option by **[date of 21-day deadline]**, the terms of the original layoff notice will remain in effect.

The first step to understanding the layoff process and your options is to complete the Layoff Program Information course. The course can be found in the “My Training” application of Employee Self-Service and is titled #WFURLO. In addition to understanding program options, the course also provides valuable resources available to you.

Once you’ve completed the course, please schedule a meeting with an HR Specialist at 319-467-0374 or [comp-class@uiowa.edu](mailto:comp-class@uiowa.edu) to discuss the layoff program and your layoff considerations.

For assistance with career development, job search strategies, or tips for updating your resume and cover letter, you may contact [Career Development Advising Services](https://hr.uiowa.edu/development/career-development-advising-services) at 319-335-2656 or [TA-support@uiowa.edu](mailto:TA-support@uiowa.edu). For additional information about your employment options, you are also encouraged to contact your HR representative **[name]** at **[phone number]** or **[email address]**.

We care about your health and well-being, especially during this time of transition. Please consider reviewing our employee Health & Well-Being Resource Guide located at [hr.uiowa.edu/employee-well-being](https://hr.uiowa.edu/employee-well-being). Additionally, the UI Employee Assistance Program (EAP) is a confidential, short-term counseling and referral service provided at no cost to you for up to 90 days after your termination date. The [UI Employee Assistance Program](https://hr.uiowa.edu/employee-well-being/ui-employee-assistance-program) can be reached at 319-335-2085 or [eaphelp@uiowa.edu](mailto:eaphelp@uiowa.edu).

Thank you for your contributions to the University of Iowa **[college or department]**. Please contact me if you need any assistance.

Sincerely,

**[Your name]**

**[Title]**

CC: Compensation and Classification, [comp-class@uiowa.edu](mailto:comp-class@uiowa.edu)

Employee & Labor Relations, [elr-help@uiowa.edu](mailto:elr-help@uiowa.edu)

E-Personnel File

**Employee Fact Sheet - Lump Sum Payment Layoff Option**

* If your position is eliminated for reasons other than cause and your department offers you the lump sum payment option instead of a longer notice period, consider the following items.
* If you leave your job earlier, your vacation payout will be smaller because the accruals end sooner. The payout will be taxed based on your earnings rate when you receive it. Lump sum payments are taxed at a flat rate regardless of your income level. This may cause you to owe taxes when you file your annual tax return.
* If you accept the lump sum payment and have university health insurance when you leave, you can choose COBRA. The university will continue its normal contribution toward the cost of single health insurance for 12 months after you leave. After the 12 months, you can get six more months of COBRA coverage, but you are responsible for the full cost. COBRA coverage automatically continues for the additional six months unless you contact University Benefits to stop it.
* If you are 55 or older, you can retire from the university and receive a lump sum payment. You can use the payment to pay for university health and/or dental insurance for yourself and your eligible dependents. This option is not available if you elect COBRA.
* You have less time to be considered for open positions with the 45-day notice period than with the longer notice period. This could mean successful placement is less likely.
* If you return to the university within one year of leaving, your original employment date will still count for parking priority and your university record. Your original benefit date affecting retirement, disability and dental insurance will also stay the same. You will get your sick leave back if you return within one year. If you are 55 or older and received a one-time payout for sick leave, you can get it back if you buy it back within the same calendar year as the payout. However, you can’t get back your vacation time or buy it back. Contact Workforce Operations at 319-335-2381 to discuss a sick leave buy-back.