LAY-OFF POLICY

1. POLICY STATEMENT

When positions are eliminated because of a change in department, board or agency structure, responsibilities or functions, every reasonable effort shall be made to retain employees on lay-off by placing them in vacant positions in the territorial public service for which they are qualified or for which they can become qualified through retraining.

2. PRINCIPLES

(1) Employees of the territorial public service subject to lay-off after at least one year of continuous employment are eligible for one of the four following severance entitlements: Separation Assistance, Severance Priority, Education Assistance or Retraining.

(2) Affected employees are given priority for staffing for vacant positions within the territorial public service during the eight week affected notice period, and during the 13 week lay-off notice period for those employees subject to lay-off.

(3) No employee represented by the Union of Northern Workers shall be laid off, transferred or relocated while on, or within six months of the employee's return, from maternity or paternal leave without the consent of the employee, the employer and the union.

3. SCOPE

This policy applies to all territorial public service employees except casual employees, employees in the NWT Teachers' Association and employees of the NWT Power Corporation.

4. DEFINITIONS

Please refer to the Definitions in the *Staff Retention Policy.*

5. AUTHORITY AND ACCOUNTABILITY

(1) General

(a) Minister

This policy is issued under the authority of the Minister of Finance.

(b) Deputy Minister

The Deputy Minister of Finance is accountable to the Minister of Finance for the administration of this policy.

(2) Specific

(a) Minister

The Minister of Finance may approve changes to this policy.

(b) Deputy Minister

(i) May establish further procedures and/or guidelines on the application of this policy for use by departments, boards and agencies.

(ii) Provides support, assistance and direction to departments, boards and agencies on the mandate and any associated procedures and/or guidelines related to this policy.

(c) Deputy Heads

(i) Deputy Heads are responsible for the administration of this policy in their department, board or agency.

(ii) The deputy head approves the retraining plan or education assistance option before it is implemented.

(iii) Where retraining is undertaken for a position in the home department, board or agency, the deputy head approves the costs and the home department, board or agency pays all authorized retraining costs.

(d) Department of Finance

(i) Where the employee opts for severance priority or separation assistance, the Department of Finance arranges with the employee for the appropriate payments to be made.

(e) Managers

(i) Retraining - The Manager in the employing department, board or agency, with assistance from the Department of Finance if necessary, issues a letter confirming the option choice and develops a retraining plan that may include on-the-job training, courses taken at the job site and/or courses taken at an educational institution.

(ii) Education Assistance - Managers, with assistance from the Department of Finance if necessary, prepares a letter confirming the option choice and that outlines the following conditions:

a. the employing department, board or agency shall pay 80 percent of the laid-off employee's salary upon termination for the length of the education program for a period of up to 12 months;

b. the laid-off employee is obligated to submit transcripts and maintain satisfactory performance during the course of study;

c. failure to maintain satisfactory performance is just cause for the department, board or agency to terminate the agreement; and

d. the laid-off employee is no longer eligible for other lay-off options.

6. PROVISIONS

(1) Severance Priority

(a) Employees identified for lay-off who have not obtained another position in the territorial public service may elect to receive severance priority.

(b) Severance priority provides severance of two weeks pay for the first complete year of continuous employment, two weeks pay for the second complete year of continuous employment and one week pay for each succeeding complete year of continuous employment, to a maximum of 28 weeks of pay.

(c) Information on the Severance Priority amount is provided to the employee in the notice of lay-off letter.

(d) An employee who wishes to elect for severance priority must advise their supervisor and the Department of Finance of their intention to do so prior to the end of the lay-off notice period.

(e) The supervisor, in conjunction with the Department of Finance, prepares and delivers a letter to the employee confirming the Severance Priority option.

(f) The employee accepts the Severance Priority option by signing the confirmation letter and returning the signed letter to their supervisor. The supervisor relays the letter to the Department of Finance.

(g) The Department of Finance arranges with the employee for the appropriate payments to be made.

(h) If the employee returns to territorial public service employment while still receiving bi-weekly severance priority payments, the bi-weekly payments will be replaced by an immediate cash payout for the remaining amount of Severance Priority payment.

(i) An amount payable as severance priority for a term employee cannot exceed an amount equal to the pay that employee would have received for the remainder of the term.

(j) An employee who chooses severance priority will have staffing priority status for 18 months from the last day of the lay-off notice period. Where a laid-off employee accepts an appointment that is not indeterminate, the employee shall continue to be provided staffing priority status for the length of the appointment plus three months. At no time shall the length of the priority status be less than 18 months.

(k) Severance priority replaces all other severance payments.

(2) <u>Retraining</u>

(a) Employees who receive written notice of affected employee status may be eligible for a retraining opportunity prior to their lay-off date if:

(i) the employee has three years of continuous employment;

(ii) no other employee identified for lay-off qualifies for the position and the employee may, with retraining, become qualified for the target position; and

(iii) the employee and the Employer agree that the retraining can be completed within 12 consecutive months.

(b) Retraining consists primarily of on-the-job training but may include short-term courses at an educational institution or other forms of training.

(c) If there is more than one affected employee who is interested in and who could qualify for the vacant position with retraining, a competition, limited to these employees, is held in accordance with the staffing priority guidelines.

(d) If the employing department, board or agency determines that an employee may, with training, become able to fill a specific position, a retraining opportunity shall be offered to that employee.

(e) Retraining shall take place in the employee's home community when possible.

(f) An employee must perform satisfactorily to continue with the retraining plan.

(g) If it is determined during the retraining period that an employee will not successfully complete the training program, the deputy head immediately provides a written notice of lay-off to the employee. The employee's lay-off notice period shall commence upon receipt of the notice, and shall last no less than three months.

(h) An employee may participate in only one retraining opportunity per lay-off/affected employee notice. When it is determined that an employee undergoing retraining will not successfully complete the training program and is served with written notice of lay-off, they are not eligible for another retraining option.

(i) An employee undertaking retraining is paid at their current rate of pay and will receive increments as they become due.

(j) Retraining costs include, but are not limited to, tuition, travel and relocation expenses. All costs must be approved prior to the training period.

(k) Some retraining costs associated with redeploying staff outside of the home department, board or agency may be paid from the Staff Development and Retraining Fund. The Staff Development and Retraining fund may pay for the following:

- travel, tuition and books in the amounts defined under the GNWT's Student Financial Assistance program; and
- up to $10,000 in wages to provide additional staff support to allow the supervisor to focus additional time and energy on retraining the employee.

(l) If the salary for the position is at a lower level than the employee's original salary, present incumbent only provisions as per the Union of Northern Workers' Collective Agreement or the Excluded Employees'

Handbook would apply for the one-year retraining period. Upon successful completion of the retraining program, the employee is appointed to the target position at the salary classified for that position.

(3) Education Assistance

(a) Employees identified for lay-off after at least three years of continuous service and who have not obtained another position in the territorial public service may elect for Education Assistance.

(b) Education assistance provides an employee with 80 percent of their current salary for a period of up to 12 months after lay-off to upgrade formal education, provided that the employee is studying on a full-time basis and the coursework is related to positions in the GNWT.

(c) An employee who is granted education assistance terminates employment from the territorial public service and is not guaranteed re-employment. In addition, the employee is not entitled to staffing priority status after choosing education assistance.

(d) If necessary, education assistance may be paid out over a term longer than 12 months to permit the laid-off employee to attend a program that exceeds 12 months of instruction; however, the total amount paid out cannot exceed 80 percent of 12 months salary.

(e) Education assistance may be deferred for a period of up to a year after the notification of lay-off is received by the employee to allow the laid-off employee to gain entrance to an educational institution.

(f) Education assistance replaces any other severance payments.

(g) Prior to the end of the lay-off notice period, an employee who wishes to take the education assistance option advises the Department of Finance of the proposed program of studies.

(h) When the employee applies for admission to the educational institution they must forward a copy of the application to the Department of Finance. When received, the employee must forward confirmation of acceptance to the Department of Finance.

(4) Separation Assistance

(a) Employees identified for lay-off who have not obtained another position in the territorial public service may elect for separation assistance.

(b) Separation assistance provides for a severance payment of two weeks pay per year of continuous employment for the first 10 complete years and three weeks of pay for each succeeding complete year of continuous employment, to a maximum of 65 weeks pay.

(c) An employee identified for lay-off can choose to receive Separation Assistance in one of three ways:

- in bi-weekly payments to extend continuous service;
- in annual installments; or
- in a lump sum.

(d) Where an employee has chosen the bi-weekly payments, continuous service is extended by the time required to pay out severance pay, as calculated above.

(e) Where an employee has chosen the annual installments, the payments are scheduled as follows:

a. an initial payment not to exceed the lesser of:
   i. an amount equal to one month pay for each month remaining in the current fiscal year; or
   ii. the balance owing, as determined by the formula; and

b. a second payment on April 1 of the following fiscal year, if necessary, equal to the lesser of:

   i. one full year salary; or
   ii. the balance owing, as determined by the formula; and

c. a final payment on April 1 of the following fiscal year, if necessary, for the remaining balance.

(f) Separation assistance for a term employee cannot exceed an amount equal to the pay the employee would have received for the remainder of the term.

(g) Separation assistance replaces any other severance payments.

(h) Information on separation assistance is provided to the employee in the notice of lay-off letter.

(i) An employee who wishes to elect for separation assistance must advise their supervisor and the Department of Finance of their intention to do so prior to the end of the lay-off notice period.

(j) The supervisor, in conjunction with the Department of Finance, prepares a letter to the employee confirming the separation assistance option.

(k) The employee accepts the separation assistance option by signing the confirmation letter and returning the signed letter to the supervisor. The supervisor relays the letter to the Department of Finance.

(l) If the employee returns to territorial public service employment while still receiving bi-weekly separation assistance payments, the bi-weekly payments will be replaced by an immediate cash payout for the remaining amount of separation assistance payment.

(5) Policy Review

This policy will be reviewed by the Department of Finance every three years.

7. PREROGATIVE OF THE MINISTER

Nothing in this policy shall in any way be construed to limit the prerogative of the Minister to make decisions or take actions respecting this policy. In this regard, the Minister may make exceptions to the provisions of this policy. Any exception will require substantiation in writing and must be recorded with the Department of Finance.

Minister of Finance