

SECTION 7: SEPARATION OR INACTIVE STATUS

Layoff

INTRODUCTION

A layoff of an employee generally occurs due to lack of funds or lack of work. An employee must be given written notice of a layoff. Refer to the employee's collective bargaining agreement and personnel rules before processing a layoff.

Accrued annual or personal leave is paid off according to the employee's collective bargaining agreement or personnel/leave rules. With the exception of employee direct deposit deductions and deferred compensation, employee and employer codes are not inactivated for an employee placed on layoff. If the employee is returned to work, they are not required to complete most waiting periods and are entitled to existing sick leave balances.

A layoff is a separation from State service, which grants the employee specific rights to return to work. The employee remains on a layoff list for 2 or 3 years according to their collective bargaining agreement. A layoff employee may, upon request, receive payment of SBS annuities and Deferred Compensation. However, the employee cannot retire or receive benefits from PERS until layoff rights expire or the employee actually resigns from layoff.

AKPAY SCREENS

The following screens are updated when an employee is placed on layoff:

103	Employee Base I
A13	Payroll Base
B23	Accrual Accumulator

Other screens are reviewed and updated only if changes are necessary:

12x	Employee Base II
27x	Address History
A5x	Automatic Earnings
A7x	Deduction Control

PROCEDURES

I. Receive and review layoff paperwork.

Receive and review the layoff paperwork to verify the layoff package is complete and forms have been signed or approved.

II. Review the A5x - Automatic Earnings screen for outstanding overpayment.

A. Access the employee's A5x screen and review for an outstanding gross overpayment that may need to be recovered from the layoff pay. If an outstanding overpayment exists, refer to *SECTION 13: SPECIAL PROCESSES, Overpayment*, before processing the employee's final pay and terminal leave payoff.

III. Prepare an Employer Charge/Deduction Worksheet to stop employee pre and post-tax voluntary deductions.

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- A. An Employer Charge/Deduction Worksheet is completed to stop any pre-tax deferred compensation: E521/E522 or post-tax deductions to the employee's banking institutions: V600/V602.

IV. Calculate final pay.

For detailed procedures on calculating final pay, refer to the *Calculate Final Pay* procedure in this Section.

- A. Verify the employee's time sheet is correct.
- B. Determine the final pay, balance of scheduled hours, leave-without-pay and/or nonscheduled hours as appropriate for the employee.

V. Calculate terminal leave pay.

Terminal leave payment varies depending on the employee's leave program and bargaining unit. For detailed procedures on calculating the adjusted leave balance, the leave forecast and terminal leave pay, refer to the *Terminal Leave Pay* procedure in this Section.

- A. Obtain the current annual or personal leave balance from the B21 - Accrual Accumulators screen. Adjust the leave balance as necessary for any unrecorded leave usage, accruals or other leave adjustments.
- B. Calculate the partial leave accrual for the current pay period.
- C. Calculate terminal leave pay as stipulated by the employee's collective bargaining agreement or personnel rules.

VI. Enter time and attendance detail for final pay and terminal leave.

Depending on time constraints on when an employee must receive final compensation, final pay and terminal leave are issued during the next production payroll or on an online warrant.

- A. Issue a warrant through production payroll.
 - 1. Access the G13 - Time and Attendance Header screen and open the employee's current period system-generated base batch. Press <PF8> to access the G5B - Time and Attendance Detail screen.

NOTE: If the employee is paid using the exception pay method, leave cannot be entered in the system-generated base batch..

- a. Enter a detail line for each type of earnings as indicated on the employee's time sheet. The dates entered must be before the employee's separation date on the 10x - Employee Base I screen.
- b. Enter a detail line for terminal leave pay as earnings code **404** (personal leave) or **405** (annual leave). Enter **760100xx**, where xx = department number, in the **LABOR DISTRIBUTION CC** field.
- c. Enter a detail line for earnings code **960** (annual leave adjustment) or **965** (personal leave adjustment) dated before the last day worked to record any possible leave adjustments that may be necessary.

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- d. Enter detail lines as appropriate to zero out all other current year leave balances (**950,952, 958**) with the exception of military leave.
 - e. Press <Enter> to process the transaction. Correct any errors displayed at the bottom of the screen and press <Enter> again. Continue correcting errors until the message UPDATE ACCEPTED is displayed.
 - f. Press <PF8> to return to the G13 screen. Balance and certify the batch.
 - g. Complete a **Leave Balances For Employees in Layoff Status** form with the number of hours that were deleted from Sick, Excess Sick and/or Donated leave balances. Forward the completed form to the Department of Administration, Division of Finance, Payroll Section to be placed in employee files. A copy should also be kept in the agency employee file.
- B. Issue an online warrant.
1. Delete the employee's system-generated base batch or change the pay period number according to agency procedure.
 2. Access the G13 screen and create an online warrant batch.
 - a. Enter a detail line for each type of earnings as indicated on the employee's time sheet. The dates entered must be before the employee's separation date on the 10x screen.
 - b. Enter a detail line for the adjusted leave balance using either earnings code **404** (personal leave) or **405** (annual leave). Enter **760100xx**, where xx = department number, in the **LABOR DISTRIBUTION CC** field.
 - c. Enter a detail line for the total hours and dollars of the partial leave accrual and adjustments as earnings code **403** (leave forecast). Enter **760100xx**, where xx = department number, in the **LABOR DISTRIBUTION CC** field.
 - d. Press <Enter> to process the transaction. Correct any errors displayed at the bottom of the screen and press <Enter> again. Continue correcting errors until the message UPDATE ACCEPTED is displayed.
 - e. Press <PF8> to return to the G13 screen. Balance and certify the batch .
 3. Create an adjustment batch to process with the next production payroll to record the partial leave accrual and possible leave adjustments.
 - a. Enter a detail line for earnings code **960** (annual leave adjustment) or **965** (personal leave adjustment) dated before the last day worked to record the partial leave accruals and any possible leave adjustments to the employee's leave account. Do not enter dollars.
 - b. Enter a line of detail using earnings code **403** (leave forecast) and negative dollars and hours to clear the positive E403 entered in the online warrant batch.
 - c. Enter a line of detail using earnings code **404** (terminal leave - personal) or **405** (terminal leave - annual) and positive dollars and hours to offset the negative E403 entered in Step b above.

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- d. Enter detail lines as appropriate to zero out all other current year leave balances **(950,952, 958)** with the exception of military leave.
 - e. Press <Enter> to process the transaction. Correct any errors displayed at the bottom of the screen and press <Enter> again. Continue correcting errors until the message UPDATE ACCEPTED is displayed.
 - f. Press <PF8> to return to the G13 screen. Balance and certify the batch.
4. Prepare an Online Warrant Request form.

VII. Inactivate the employee on the 103 - Employee Base I screen.

A Layoff Separation (LF) action is processed in the STATUS and POSITION SEGMENTS of the 103 screen to place an employee in layoff.

A. Access the 103 screen. Enter data in the following fields:

1. **EMPLOYEE NUM** - Enter the employee's social security number. Press <Enter> to display the employee's current 103 screen.

NOTE: In the following fields new data is entered over the data displayed on the screen.

2. **EFF DATE** - Enter the next calendar day after the employee's last day in pay status as **MMDDYYYY**.
3. **DOC NUM** - Enter the agency source document number for this action.
4. In the **STATUS SEGMENT** enter data as follows:
 - a. **ACTION** - Enter **LF** (Layoff Separation).
 - b. **COMMENTS** - Enter **L** (Layoff).
5. Tab to the **POSITION SEGMENT** and enter the following data:
 - a. **ACTION** - Enter **LF** (Layoff Separation).
 - b. **PCN** - Enter **999991**.
 - c. **DEPT** - Enter **99**.
 - d. **REGION** - Enter **99**.
 - e. **DIV** - Enter **99**.
 - f. **SECT** - Enter **99**.
6. Press <Enter> to process the transaction. Correct any errors displayed at the bottom of the screen and press <Enter> again. Continue correcting errors until the message UPDATE ACCEPTED is displayed.

VIII. Verify and update the 12x - Employee Base II screen.

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If necessary, access the employee's 12x screen and change the address to the employee's designated permanent address.

IX. Inactivate health insurance and retirement eligibility on the A1x - Payroll Base screen.

The employee's health insurance and retirement eligibility is stopped on the A13 screen in two actions unless, the last day worked is the last day of the month, then they may be entered in one action. Use an effective date of the first day of the following month.

A. Access the A13 screen and enter data in the following fields to end-date the occupational code:

1. **EMPLOYEE NUM** - Enter the employee's social security number. Press <Enter> to display the employee's most current A13 screen.

NOTE: In the following fields new data is entered over the data displayed on the screen.

- a. **VIEW DATE** - Enter the effective date, the same date entered on the 10 screen – the next calendar day after the last day in pay status, as **MMDDYYYY**.
 - b. **DOC NUM** - Enter the agency-assigned source document number for this action.
 - c. **ACTION** - Enter **IC** (Information Change).
 - d. **OCCUP CODE** - Enter **Z** (Inactive Status). The Z reports suspended retirement eligibility for the employee to the Division of Retirement and Benefits. It records a segment of non-work time for State service time. It prevents the employee from receiving distribution of retirement contributions.
 - e. **PERS/TRS EFF DT** - Enter the effective date as entered in the VIEW DATE field.
 - f. **WRT DIST** - Change to **AGEN** per State policy.
2. Press <Enter> to process the transaction. Correct any errors displayed at the bottom of the screen and press <Enter> again. Continue correcting errors until the message UPDATE ACCEPTED is displayed.
 3. Press <Enter> to return to update mode on the A13 screen and enter data in the following fields to end-date health insurance eligibility:
 - a. **VIEW DATE** - Enter the effective date of the first day of the month following the month in which the employee was last working, as **MMDDYYYY**. This is the first day of the month the employee is no longer eligible for health insurance.
 - b. **DOC NUM** - Enter the agency-assigned source document number for this action.
 - c. **ACTION** - Enter **IC** (Information Change).
 - d. **HI RATE CD** – Refresh the first character of the code displayed and enter **L** for the second character. The L code reports suspended health insurance coverage to the Division of Retirement and Benefits or a health trust, and does not remove the dependents from the dependent file.
 - e. **HI ELIG DATE** - Enter the same date as entered in the view date.

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4. Press <Enter> to return to update mode on the A13 screen and enter data in the following fields to end-date health insurance eligibility:

X. File and distribute paperwork.

- A. Forward the following forms to the Department of Administration, Division of Finance, Payroll Section, Mail Stop 0204:

Online Warrant Request Form
Employee/Employer Charge/Deduction Worksheet – if necessary
Leave Balances for Employees In Layoff Status Form

- B. Forward the following forms to Department of Administration, Division of Personnel, Mail Stop 0201:
Certified computer generated Personnel Action, with the Employment Clearance Form attached
Copy of the Layoff Notice to the Employee
Conditions of Employment Upon Return From Layoff (if completed)
- C. File and distribute other separation paperwork according to department procedures.