State of Michigan

Information for State Classified Employees Placed on Indefinite Layoff

Michigan Civil Service Commission

Rev. 8/2016

Overview

LAYOFF INFORMATION FOR STATE CLASSIFIED EMPLOYEES

Employees facing potential layoffs confront several questions that may have never been considered. This PowerPoint presentation consolidates resources about common questions for employees who have been or may be placed on indefinite layoff.

The PowerPoint provides a basic overview of issues that employees may face and provides links to resources that can be accessed to assist with various subject matters. Links to Web sites are underscored throughout this presentation.

Questions regarding this presentation should be addressed to the Civil Service Commission at **MCSC-EBD@michigan.gov.**

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Layoff and Recall Information

EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT

Layoff and recall processes are governed by the terms of your collective bargaining agreement. Your agreement can be viewed at the Office of the State Employer's (OSE) website at **http://mi.gov/ose**. Your human resources office or union steward can provide additional guidance on layoff and recall procedures in your agency. Links to the respective collective bargaining agreements follow:

- AFSCME COUNCIL 25
- MCO
- MSEA, Safety and Regulatory
- MSEA, Labor and Trades
- UAW
- SEIU, HSS Unit
- SEIU, S&E Unit
- SEIU, Technical Unit
- MSPTA

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Layoff and Recall Information

NONEXCLUSIVELY REPRESENTED EMPLOYEES (NEREs):

Information on layoff and recall can be found in the following Civil Service Rules and Regulations:

- **Rule 2-4** (Layoffs)
- **Rule 2-5** (Employment Preference)
- **Regulation 2.01** (Implementing a Reduction in Force for NEREs)
- **Regulation 2.02** (Agency Layoff Plans)
- **Rule 3-2** (Applicant Pools and Recall Lists)
- **Regulation 3.09** (Establishment, Maintenance, and Duration of Recall Lists for NEREs)

Your HR Office can provide additional guidance on how layoff and recall will occur at your agency.

How Do I File For Unemployment?

2 Unemployment

The Unemployment Insurance Agency (UIA) can provide assistance, if you qualify, for unemployment insurance benefits. These benefits are intended to provide temporary income as you seek new employment.

- **How do I file an unemployment claim?**
  You may file online or by phone. (See next page for details).

- **Michigan Works!**
  After filing your unemployment claim, you must register for work at a Michigan Works! Service Center. They can help you create a resume, build interview skills, and find a new position. They also help with postage, paper, access to computers and fax machines.

- **Need help filing your claim?**
  The UIA's Problem Resolution Offices (PROs) resolve customer problems and provide access to telephone, computers and personnel.

How Do I File For Unemployment?

2 Unemployment Benefits

The Unemployment Insurance Agency (UIA) has made the unemployment benefit process easier and faster. Just follow these three steps:

Week #1 - File a Claim

File your claim online at the **UIA website**.

Week #2 - Register for Work

After the claim is filed, you must register for work by filing a resume at a ***Michigan Works!*** service center.

Week #3 - Report to MARVIN Online to Receive Benefits

To receive your benefits you must report bi-weekly using MARVIN on your appointment date.

3 Finding a New Job Within State Government

The following resources can help with your job search:

Finding Employment Within State Government

This link will take you to the vacancy posting site for positions in the state classified service.

IMPORTANT: You must apply online for all job postings. When you apply, be sure to check "Yes" on the question, "Are you a current State of Michigan governmental employee, or an employee of the Michigan Legislative branch, OR on layoff status from either?"

Career Services

This link takes you to the Civil Service Commission Office of Career Services. This office can help you target job opportunities by providing up-to-date state employment information and career planning. Services include critiquing your résumé, developing your cover letter, identifying other classifications for which you may qualify, and more.

3 Finding a Job Outside of State Government

Assistance is also available to help with your job search outside of state government:

Michigan Works!

Michigan Works! is designed to assist you in finding a new career. There are 25 Michigan Works! service centers available to you. You can utilize a center to help you prepare your resume and search for job opportunities.

Pure Michigan Talent Connect

Michigan Talent Bank is the place to be if you are a job seeker. You can search thousands of new job openings and post your resume so more than 40,000 employers can find it. Contact (888) 522-0103 Monday through Friday 8 a.m. to 5 p.m. or submit your resume here.

3 Finding a Job Outside of State Government

The websites below will connect you to opportunities within the Federal Government:

www.usajobs.gov
USAJOBS is the official job site of the US Federal Government.
Click on this link to find your one-stop source for Federal jobs and employment information.

How Can I Continue My Health Care Benefits?

4 Insurance and Benefits

Two (2) Pay Period Premium Pre-pay Upon Layoff:

Employees laid off as a result of a reduction in force may be able to elect to prepay their share of premiums for medical, dental, vision, and life insurance for two (2) pay periods after layoff by having such premiums deducted from their last pay check. Note: For employees represented by **AFSCME, Local 25, please see Article 13, Section C. 8** for exceptions.

During a layoff, you may have options to carry the following benefits:

- Medical, Dental and Vision – Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Flexible Spending Accounts (Health & Dependent Care)
- Life Insurance
- Voluntary Benefits – Auto/Home/Legal/Life/Accident/Critical Illness/Ad&D
- Long Term Care

You may contact the MI HR Service Center at (877) 766-6447 or Michigan Relay at 711 (for individuals with hearing loss) if you have any questions in regard to insurance and benefits continuation.

How Can I Continue My Health Care Benefits?

4 COBRA

Consolidated Omnibus Budge Reconciliation Action (COBRA) allows employees and their dependents that have lost health coverage due to layoff, termination of employment, death, divorce, ineligible child(ren) or other life events, to continue coverage for a limited amount of time.

You will receive notices about COBRA coverage and application forms after your layoff. You must apply within 60 days. If you have questions after reading the notices, you may contact the Employee Benefits Division (EBD) at (517) 373-7977 or (800) 505-5011.

Click here to view the cost chart for COBRA group insurance coverage during layoff.

If you plan to retire in layoff status you will need to enroll in COBRA life to retain the 25% of your current life insurance amount into retirement.

What Happens to My Retirement Funds?

5 Retirement

Retirement is important. You can use the resources in this section to develop a strategic plan to use your retirement funds wisely.

There are a few different retirement plans available to State of Michigan employees. Certain plans were only made available to those employees who were hired prior to a certain point in time. And further, an employee may be enrolled in specific plans based on choices made during P.A. 487 of 1996 or P.A. 264 or 2011. Review the information in this section for further details about each plan.

Not sure which plan you are enrolled in? The **Office of Retirement Service** (ORS) website has detailed information to help you determine which plan you are in. You may also call the ORS Customer Contact Center at (517) 322-5103 or (800) 381-5111. ORS is open weekdays 8:30 a.m. to 5:00 p.m.

5 Defined Benefit Plan (DB)

You're a member of the Defined Benefit (DB) plan if you were hired before March 31, 1997, and you:

- Elected the DB Classified plan under P.A. 264 of 2011.
- Elected the DB 30 plan under P.A. 264 of 2011 and you have not yet reached 30 years of service.

You're a member of the DB plan *AND* a participant in the DC plan if you:

- Elected the DB 30 plan under P.A. 264 of 2011 and you have reached 30 years of service.
- Elected the DB/DC Blend plan under P.A. 264 of 2011, and thus became a DC plan participant April 1, 2012.
- Began your state employment under the DB plan, left, and then returned to state employment on or after January 1, 2012, and before January 1, 2014.

While laid off, the money in your DC Plan will be invested according to your investment elections. See the **plan highlights** for additional information on hardship and regular distributions. For additional information visit the **Voya website** or contact Voya at (800) 748-6128. Use the following resources to determine your DB retirement options.

- Online **www.michigan.gov/orsstatedb**
- **Leaving State Employment**
- **Ready to Retire**
- **Earning and Purchasing Service Credit**
- **miAccount** manage your personal retirement account

You can contact ORS at (800) 381-5111, (517) 322-5103, or email the **ORS Message Board**.

5 Defined Contribution (DC) with Subsidized Retiree Insurance Plan

You're a participant in the Defined Contribution (DC) with Subsidized Retiree Insurance plan if you:

- Were newly hired by the State of Michigan on or after March 31, 1997.
- Began your state employment under the DB plan and chose to transfer to the DC plan under P.A. 487 of 1996. (You retain the DB insurance Subsidy.)

While laid off, the money in your DC Plan will be invested according to your investment elections. See the **plan highlights** for additional information on hardship and regular distributions. For additional information visit the **Voya website** or contact Voya at (800) 748-6128.

If you are enrolled in the DC with Subsidized Retiree Insurance and choose to terminate state service, you may be entitled to post employment insurance benefits depending on your age and years of service. Call ORS at (800) 381-5111 or within Lansing at (517) 322-5103, or send an email to the **ORS Message Board**.

Return to Retirement

5 Defined Contribution (DC) with Personal Healthcare Fund

You're a participant in the Defined Contribution (DC) with Personal Healthcare Fund if you:

- Were newly hired by the State of Michigan on or after December 31, 2011.
- Elected the Personal Healthcare Fund under P.A. 264 of 2011.

While laid off, the money in your DC Plan will be invested according to your investment elections. See the **plan highlights** for additional information on hardship and regular distributions. For additional information visit the **Voya website** or contact Voya at (800) 748-6128.

What About My Retirement – 401(k) and 457 Plans

5 401(k) and 457

While in layoff status, the money in your 401(k) and 457 accounts will continue to be invested according to your investment elections.

A layoff is not considered a separation until recall rights expire and the employee is separated. While laid off, an employee may not take distributions or loans from 401(k)/457 accounts, but may apply for a hardship distribution. An employee who chooses to terminate state service before the expiration of their recall rights may be eligible to take a regular distribution. Please contact Voya at (800) 748-6128 or **http://stateofmi.voyaplans.com** for additional distribution details.

401(k) Loans

Employees with 401(k) loans will need to continue making payments while on layoff to prevent the loans from defaulting. ING will reamortize your loans to be paid on a monthly basis and send you a statement with your new loan payment amount. If you do not make loan payments for 90 days, the loan will be considered in default and the remaining balance will become a taxable distribution, and may be subject to additional tax penalties.

For employees who choose to terminate service rather than remain on layoff status, all outstanding loans will be due in full within 30 days of the termination date. Loans not paid in full within 30 days of the termination date will become taxable distributions and may be subject to additional tax penalties. Please check with your tax consultant for more details.

6 Annual Leave Payoff or Freeze (NEREs)

Employees may freeze annual leave up to the accrued balance, or be paid off for up to the maximum payoff limitations. (**See Civil Service Rule 5-10.2 (a)(1)(B)**). If frozen, the annual leave balance is retained until the employee elects to be paid off for the balance or until recall rights expire. Payoff is calculated at the employee's last rate of pay.

If recall rights expire, any remaining annual leave balance will be paid off at the employee's last rate of pay. (**See Standard A. 6 of Regulation 5.09**).

6 Annual Leave (AL) Payoff or Freeze

	UAW, MSEA, SEIU S&E, SEIU Tech, MCO	AFSCME	SEIU HSS	MSPTA
Can an employee freeze their AL?	Yes, up to their accrued balance.	Yes, up to their accrued balance.	Yes, up to their accrued balance.	All annual leave shall be frozen. Upon recall from layoff, such leave shall be recredited to the employee.
Can an employee be paid off for their AL at time of layoff?	Yes, up to their maximum payoff limit.	Yes, up to their maximum payoff limit found in the union contract.	Yes, up to their maximum payoff limit found in the union contract.	
At what rate is AL paid off?	At the employee's last rate of pay.	At the employee's last rate of pay.	At the employee's last rate of pay.	At the employee's last rate of pay.
If AL is frozen, when is it paid?	The balance is retained until either the employee elects to be paid off for the balance or, when the employee's recall rights expire, whichever occurs first.	If frozen, the employee can elect to be paid off at any point after sixty (60) days from layoff, but before their recall rights expire.	The balance is retained until either the employee elects to be paid off for the balance or, when the employee's recall rights expire, whichever occurs first.	At the employee's written request, AL may be liquidated by the department after the effective date of layoff. If the employee suffers a loss of seniority, pursuant to the MSPTA collective bargaining agreement Article, 11, Part A, Section 2, any frozen leave balances will be paid to the employee as if the employee has separated from the department.

Leave Time Issues For Non-Exclusively Represented Employees (NEREs) On Indefinite Layoff

6 Annual Leave Buy Back (NEREs)

If an employee chooses to be paid off at the time of layoff, he/she may buy back annual leave upon recall, subject to the following conditions:

- Employee recalled to an agency from which laid off may buy back any portion up to the total paid off.
- Employee recalled to permanent position in a different agency may buy back any portion that had been paid off up to 80 hours.
- Employees electing either of these options must buy annual leave at the returning rate of pay.
- Payment for leave purchases is to be made to the agency that made the original payoff.
- This option may be exercised only once per recall, and must be exercised during the first 13 pay periods of recall.

6 Annual Leave (AL) Buy Back

	UAW, MSEA, SEIU S&E, SEIU Tech, MCO	AFSCME	SEIU, HSS	MSPTA
If recalled to the agency that paid the AL, how much can the employee buy back?	Any portion up to the total paid off.	If recalled from the Agency recall list, the employee has two (2) pay periods to buy back any portion of the AL up to the total paid off.	Up to the amount paid off upon layoff but no more than 120 hours.	No buy back provision.
If recalled to a different agency that paid the AL, how much can the employee buy back?	The employee can buy back any portion paid off up to 80 hours.	If recalled from the Department or Statewide recall list, the employee has two (2) pay periods to buy back any portion of the AL paid off up to ten (10) workdays.	The employee can buy back any portion paid off up to 80 hours.	No buy back provision.
Buy back is at what rate of pay?	In all situations, buy back is at the returning rate of pay.	In all situations, buy back is at the rate the AL was paid off.	In all situations, buy back is at the rate the AL was paid off.	No buy back provision.
How often can I buy back my annual leave payoff?	Buy back can be exercised only once per recall and must be exercised during the first 13 pay periods of recall.	Buy back of AL only during the first two (2) pay periods after recall.	Buy back of AL only during the first two (2) pay periods after recall.	No buy back provision.

6 Sick Leave

SICK LEAVE

- Sick leave balances are frozen for a laid off employee until he/she is returned from layoff to career employment in the state classified service.

- Employees hired before October 1, 1980, who are not recalled to career employment from layoff are entitled to a payoff of a percentage of unused balances at their last rate of pay in accordance with the table found in **Civil Service Regulation 5.10 Standard D.1.c**. or applicable union contract.

Leave Time Issues Upon Indefinite Layoff
Represented and Non-Exclusively Represented Employees (NEREs)

6 Banked Leave Time (BLT)
Deferred Hours
Compensatory Time

BANKED LEAVE TIME

- BLT balances are frozen for a laid off employee until they are returned to career employment in the state classified service.
- The balance of any unused BLT hours is contributed to the employee's 401(k) account, at the time that the employee's recall rights expire and the employee is separated.

DEFERRED HOURS

- Deferred hours are frozen for a laid off employee until they are returned to career employment in the state classified service.
- Employees who are not recalled or elect to terminate state employment are paid off at their last rate of pay.

COMPENSATORY TIME

- At the time of layoff, unused compensatory time accruals of an employee who is laid off are paid at the base rate, or the average base rate received during the last 3 years, whichever is higher. Freezing of compensatory time accruals is not allowed. (See **Regulation 5.02, Standard A.2.h(5) and (6)**).
- For exclusively represented employees, please refer to your collective bargaining agreement.

7 Education Programs

MESP (Michigan Education Savings Program)

If you have opened a 529 plan through MESP, you may contact them with questions in regard to those funds at (877) 861-6377.

MET (Michigan Education Trust)

If you have a contract with MET, you may contact them to determine what your options are to stop or continue that trust fund at (800) 638-4543.

Who Can I Talk to About How I'm Feeling?

8 Employee Services Program

The **Employee Services Program (ESP)** can provide confidential services to employees impacted by a layoff. These free services include: assistance with short term problem resolution, stress management and coping strategies, identification and connection to resources.

For more information about ESP services, or to schedule an in person or telephone appointment with an ESP counselor, you may contact either the Lansing or Detroit office. All contact and participation with the Employee Service Program is confidential and voluntary.

Offices are open weekdays from 8:00 a.m. to 5:00 p.m. Contact ESP at the Lansing Office at (800) 521-1377 or (517) 335-5678 or the Detroit Office at (313) 456-4020.

9 Other Assistance Available to You

There are many state agencies that provide assistance during economic difficulties. **Click here** to read how these agencies may provide you with assistance.

United Way – 2-1-1 (First Call For Help Program)
United Way First Call For Help is an information and referral line. This referral line links community members to resources throughout our community for everything from childcare to emergency assistance. Visit their website or contact them at 2-1-1.

10 Contact Numbers and Websites

MI HR Service Center (877) 766-6447 or Michigan Relay 711 (for individuals with hearing loss)

Employee Benefits Division (800) 505-5011 or (517) 373-7977

Civil Service Commission Office of Career Services (800) 788-1766 or (517) 373-3030

Office of the State Employer (OSE) (517) 373-7400

Office of Retirement Services (ORS) (800) 381-5111 or (517) 322-5103

Unemployment Agency Problem Resolution Office (800) 638-3994

Voya Financial (800) 748-6128

Employee Services (ESP) in Lansing (800) 521-1377 or (517) 373-7630 or in Detroit (313) 456-4020

Michigan Jobs and Career Portal

Michigan Educational Savings Program (MESP) (877) 861-6377

Michigan Education Trust (MET) (800) 638-4543