

## **Checklist: Reduction in Force (RIF) Strategy and Selection**

### **Identify Desired Goals/Objectives**

- Determine the business reason for the RIF. What is the intended end result (e.g., cost savings)?
- Examine what locations and/or positions will be affected (e.g., Is a location closing? Is a department closing? Has a position been determined as redundant?)
- Review alternatives to a RIF that will achieve the same end result (e.g., voluntary time off, furloughs, worksite relocation).
- Identify timing for a RIF (e.g., immediately within 30/60/90 days or projected for the future).
- Determine the desired public narrative the company wants to portray. What information does the company want to disseminate outside of the organization? (e.g., Should the company issue a press release to the general public?)

### **Draft a Downsizing Plan**

- Establish a decision-making team, which should include a representative from each stakeholder area (e.g., upper management, human resources, legal, supervisors in affected areas).
- Determine which locations, divisions, departments and/or types of jobs will be affected based on goals/objectives developed. Will temporary workers be included?
- Determine how to measure the depth of the necessary RIF (e.g., number of FTEs affected, number of locations closed, certain efficiency measure achieved, percentage of total compensation budget reduced).
- Evaluate if the organization is going to ask for volunteers under an early retirement plan or voluntary separation plan.
- Develop a RIF budget. Weigh the costs of the RIF (attorney fees, severance, unemployment, reduced productivity due to lower morale, communications strategy costs, outplacement services, administrative costs and potential lawsuits).
- Determine if the organization will institute a hiring freeze.
- Develop a RIF timeline based on the goals/objectives developed.
- Obtain legal counsel review of the downsizing plan.

### **Selection for RIF**

- Determine selection criteria (e.g., seniority, performance, job classification, job knowledge and skills, department, location, division) based on information developed in downsizing plan. If union environment, review collective bargaining agreement for specific rights that may apply to

union employees. If more than one criterium will be used, determine how the organization will prioritize them.

- Train decision-making team on criteria(um) that will be used in the selection process.
- Develop a preliminary list of employees for the RIF.
- Make sure the decision-making team understands the importance of documenting all selection decisions.
- Review the preliminary list of selected employees to determine if an adverse impact exists for protected classes. Protected classes include race, color, religion, sex (including pregnancy, gender identity and sexual orientation), national origin, age (40 or older), disability or genetic information, and veteran status. States may have additional protected classes, such as marital status or smokers.
- Finalize list of employees identified for RIF.

### **Review Federal and State Worker Adjustment and Retraining Notification (WARN) Act Regulations to Stay Compliant**

- Review Federal WARN Act requirements and prepare notices as applicable.
- Review if there are state WARN requirements and prepare notices as applicable.

### **Determine Severance Packages and Employee Communication Process**

- Determine whether release agreements will be required in exchange for severance benefits. If so, determine what it will take to comply with the Older Workers Benefit Protection Act (OWBPA).
- Decide what the severance package will contain (e.g., salary continuation; vacation pay; continued, employer-paid period of benefits coverage; employer-paid COBRA premiums; outplacement services; counseling and résumé workshops). Organizations should identify past severance practices and be consistent when making determinations.
- Gather materials necessary for RIF group meetings or one-on-one sessions (e.g., required notices, COBRA information, severance agreements).
- Conduct RIF one-on-one sessions with affected employees. Provide information related to final pay, health benefits, COBRA election process and 401(k) options, and review severance agreement. Encourage affected employees to ask questions about the severance package.
- Hold a meeting to inform the remaining workforce of the RIF.
- Communicate to IT, facilities management and other relevant departments to follow normal termination procedures (e.g., removal from computer systems).