CAROLINA FAMILY HEALTH CENTERS, INC. PROCEDURE

TITLE: HR-310.01 Reduction in Workforce

EFFECTIVE DATE: July 1999

SECTION: Human Resources

REFERENCE POLICY: HR-310 Reduction in Workforce

RESPONSIBLE CHIEF OF STAFF: Chief Operating Officer **RESPONSIBLE COMMITTEE:** Employee Investment CIT

REVIEWED: 10/03; 01/08; 04/14; 09/03/2025

I. PURPOSE

The purpose of this document is to ensure that any Reduction in Workforce situations at Carolina Family Health Centers, Inc. (CFHC, Inc.) are handled in compliance with the Department of Labor Wage and Hour laws, the Fair Labor Standards Act, and any additional federal law, if required. A Reduction in Workforce is managed in an equitable, consistent, and compassionate manner.

II. PROCEDURE

When a Reduction in Workforce affects a single position title, all employees with the specific position title are equally affected. However, when a Reduction in Workforce reduces the number of positions within a single position title, employees will be singled out for reduction in workforce by reviewing several indicators:

- Employment status Is the employee in his/her introductory period and/or has the introductory period been extended? Is the employee on disciplinary probation, or are there disciplinary actions or attendance warnings on file?
- Performance Indicators Is it documented that the employee has exhibited less than adequate performance in areas such as communication, teamwork, positive contributions to the organization, problem solving, knowledge and skill level, planning, and time management.
- Past Employment Record Does the employee's past record reflect the type of worker who will contribute positively to the overall mission of the organization?
- Seniority Does the employee have greater seniority than others in the affected workgroup?

Although seniority is considered one of the parameters during a Reduction in Workforce, it will not be the deciding factor in determining who is affected.

Once a Reduction in Workforce has been determined, affected employees are notified in person and in writing, and management considers the effect of the Reduction in Workforce on remaining employees.

At a minimum, exempt employees affected are given thirty (30) calendar days' notice. At a minimum, non-exempt staff are given fourteen (14) days' notice. Management determines if the notice is to be worked or if the employees are immediately released from their responsibilities. Staff who remain on the job throughout the period of notice are afforded every opportunity to interview for other positions in the community, with no negative impact on their attendance record with the organization. Management assists the employees in any way possible to secure employment, as well as be available to assist in filing for unemployment insurance. Contract employees' notice depends on the terms and conditions of their contract.