Layoff/Recall POLICY

Under some circumstances, ABC Company may need to restructure its operations or reduce its workforce. If this becomes necessary, the Company will attempt to provide advance notice to employees so as to minimize the impact on those affected. If possible, employees subject to layoff will be informed of the nature of the layoff and the foreseeable duration of the layoff, whether short‑term or indefinite.

In determining which employees will be subject to layoff, the Company will consider, among other things, operational requirements; the skill, productivity, past performance, and attendance of those involved; and, whenever feasible, length of service.

When workload increases to the extent that additional employees are needed, the Company will recall individuals according to these same selection criteria. The Company reserves the right to hire new employees during a layoff period when required skills for the work at hand are not available without training among the laid‑off employees.

All Company benefits will terminate at the time of layoff. Insurance coverage, though not provided, will remain available under the provisions of COBRA. Information concerning employee rights under COBRA is available from the Human Resources Department.

If an employee on layoff has fulfilled the orientation period requirements at the time of layoff, and the employee is recalled by the Company and returns to work within 90 calendar days of the date of layoff, benefits and time of service will be fully reinstated on the date of return to work. This rule does not apply to the group insurance plan, the terms of which will be governed by the actual group insurance contract in effect at the time the employee returns to work.

If an employee on layoff is recalled and does not accept the recall within three days, the employee will be terminated and will be considered to have voluntarily quit. If an employee on layoff is not recalled by the Company within 90 calendar days, the employee will be terminated and will be considered to have been terminated due to lack of work.

THIS POLICY MAY BE LEGALLY DESIRABLE