

# **Furloughs**

## **FAQ's for Employees from Human Resources**

### **August 12, 2009**

#### **General Issues Related to the Mandatory Furlough Program**

##### **1. Why is the USG implementing a Mandatory Furlough Program?**

**Answer:** Budget reductions to the University System are permanent reductions; consequently all actions taken to date reflect this reality. Furloughs are temporary – they don't provide permanent reductions. So, the preference is not to utilize temporary measures to address permanent reductions. We have successfully managed reductions and will continue to look to permanent reductions for budget solutions. However, the severity of the downturn in state revenues has reached a level that necessitate as a final resort the use of furloughs to help bridge the gap between the current shortfall and permanent, smaller budgets. The alternative to furloughs would be pay cuts or new layoffs, which are to be avoided. Mandatory furloughs are taken with great reluctance and with a full understanding of the financial hardship this will impose on many employees.

##### **2. How many days do I have to take off as furlough days?**

**Answer:** All University System of Georgia employees will be required to take six days of leave without pay during fiscal year 2010 under this Mandatory Furlough Program. Presidents are authorized to order additional furlough days if necessary to meet institutional budget reduction requirements.

##### **3. How many hours are in a furlough day?**

**Answer:** A furlough day for any institution equals eight (8) hours.

##### **4. Who is covered under the Mandatory Furlough Program? Are there any exceptions?**

**Answer:** This program applies to all USG employees regardless of source of funds, or place of work, including staff, administrators, faculty and all other employees in classified and unclassified positions, including, but not limited to, time-limited, intermittent, temporary employees, and new hires.

Full-time employees who after any day of furlough fall at or below an annual salary of \$23,660 shall be exempted from any further furlough days. For example:

Gross earnings	Furlough days	Furlough amount	Net amount
\$ 23,751.35	1	\$ 91.35	\$ 23,660.00
\$ 23,843.41	2	\$ 183.41	\$ 23,660.00
\$ 23,936.19	3	\$ 276.19	\$ 23,660.00
\$ 24,029.69	4	\$ 369.69	\$ 23,660.00
\$ 24,123.92	5	\$ 463.92	\$ 23,660.00
\$ 24,218.90	6	\$ 558.90	\$ 23,660.00

Presidents shall have the authority to exempt employees, by job class, from furloughs in extraordinary circumstances, as determined by the president.

Presidents shall have the authority to determine the application of furlough leave without pay to part-time or adjunct personnel.

Employees holding an H1-B visa shall be exempt from furloughs.

**5. Can I choose to work during furlough leave?**

**Answer:** No, furlough time is non-work time. It is the institution’s affirmative obligation to inform each employee that no employee may work or otherwise provide services to the institution during any period in which the employee is furloughed.

**6. What if I don’t agree with the decision to furlough employees? May I file a grievance or appeal?**

**Answer:** No. The placement of an employee on mandatory furlough does not constitute grounds for a grievance or appeal.

**7. How does furlough leave affect Academic-year employees?**

**Answer:** Academic-year employees must take mandatory furlough days prior to the end of the academic term.

**8. How will this furlough affect my paycheck?**

**Answer:** Non-exempt (hourly) employees under the Fair Labor Standards Act (FLSA) will continue to be paid for days worked and will not be paid for the days for which they take furlough leave without pay. Exempt employees under the FLSA will not be paid for the days for which they take furlough leave without pay. For both exempt and non-exempt employees, the salary reduction will occur in the pay period in which the furlough leave without pay is taken.

**9. How will a furlough-based reduction in pay affect employees that are exempt under the FLSA?**

**Answer:** A furlough-based reduction in the pay of an employee who is otherwise exempt from the wage and hour requirements of the FLSA will cause such an employee to become a non-exempt employee for the workweek in which the furlough occurs and for which the employer's pay is accordingly reduced.

This means that an employee who is usually exempt but whose pay is reduced due to a furlough must, during the week of the furlough, keep a record of hours worked. Such an employee may not work more than forty (40) hours in the furlough week. In the event that such an employee works in excess of 40 hours, they must be paid at the overtime rate, which is one-and-a-half times their regular hourly rate.

Physicians, lawyers and teacher, including our faculty members, are exempt from this requirement and may be furloughed without the loss of exempt status in the furlough week.

**Issues Related to Leave**

**10. Will furlough leave affect paid holidays?**

**Answer:** No. All employees are expected to observe all paid holidays.

**11. How will furlough leave affect annual leave and sick leave?**

**Answer:** Employees will be allowed to take annual and sick leave and other paid leave as approved. However, employees are still required to take six days of furlough leave without pay during the fiscal year, and may not use other available leave to avoid taking required leave without pay. Employees will continue to accrue annual leave and sick leave at their normal rate during a mandatory furlough. It is important to note that institutional presidents are authorized to order additional furlough days if necessary to meet institutional budget reduction requirements.

**12. How do I schedule furlough leave?**

**Answer:** Presidents are authorized to set the schedule for furlough days at their institutions. Presidents may delegate the scheduling of furlough days to appropriate supervisors and managers. At least three furlough days must be scheduled before the end of calendar year 2009. All furlough days will be taken in full or half-day increments, or in other increments specified by the president. Furlough days shall not result in the cancellation of classes.

**13. If an employee uses approved Family Medical Leave in FY 2010, what is the impact on the employee's required furlough?**

**Answer:** Furloughs must be taken in addition to any FMLA taken. You will take furlough days on a pro-rated basis for the part of FY 2010 outside your approved FMLA period.

**14. If I am on leave without pay, am I subject to the furlough?**

**Answer:** No, not while you are in an unpaid status. You will take furlough days on a pro-rated basis for the part of FY2010 that you are in a paid status.

**15. Can I donate furlough days to other employees or take extra furlough days to help my institution?**

No. Under this program, all employees will take only the furlough time required of them. However, the spirit of the offer is appreciated.

**Issues Related to Benefits**

**16. Will furlough leave affect my healthcare benefits?**

**Answer:** No. Employees will receive the same healthcare benefits as otherwise available to them.

**17. How will furlough leave affect my retirement benefits?**

**Answer:** For employees covered by the Employees Retirement System of Georgia, (ERS) furlough leave without pay will not affect the employer or employee contributions.

For employees covered by the Optional Retirement System, (ORP) furlough leave without pay will not affect the employer contribution. However, furlough leave without pay will affect the employee contribution. The employee contribution must be calculated on actual earnings, which are reduced by the amount of furlough leave without pay. Employees may voluntarily choose to save the difference in a savings plan offered by the institution.

For employees covered by the Teachers Retirement System of Georgia (TRS), the effect of furlough leave without pay is not yet known. TRS has asked the Attorney General to provide guidance on this question. This information is expected soon.

**18. Will furlough leave affect other important anniversary dates?**

**Answer:** No. An employee's review date, continuous USG service, USG hire date and leave accrual date will not be affected by any period of approved furlough.