



Furlough FAQ for Exempt (salaried) University Employees

What is a furlough?

A furlough is defined in University Regulation R04.01.115.A as a temporary unpaid leave for a designated period of time, or a prospective, temporary reduction in pay, imposed to meet a budgetary shortfall. University furlough plans are recommended by the chancellor and approved by the president. Furlough plans for exempt employees will be a temporary reduction in pay during the fiscal year.

As a salaried employee, how will my pay be affected by a furlough?

When an exempt employee is furloughed, their salary during the furlough period is reduced by a percentage commensurate to the number of furlough days assigned. If, for example, there is a 10-day furlough in FY16, your annual gross earnings would be reduced by 3.8%, and you would receive 10 furlough days to be used between July 1, 2015 and June 30, 2016. Regardless of when an exempt employee uses the furlough days, the reduction salary will begin the first full pay period in July.

How are furlough days scheduled?

Furloughs may include “fixed” furlough days and “floating” furlough days. If a campus or a department closes on certain days, those will be “fixed” furlough days. “Floating” furlough days will be scheduled in the same way that employees schedule annual leave, with supervisor approval, subject to the operational needs of the department. The FY16 systemwide leadership furlough will be “floating” furlough days. Furlough days can be taken during the holiday closure or before or after a holiday.

When can I start using my furlough days?

Employees can use any of their floating furlough days beginning on July 1 of the affected fiscal year. Furlough days must be used on or before June 30 of the fiscal year end. They do not carry over to the next fiscal year.

Can furlough time be used in less than full day increments?

Yes, you can do hourly increments just like annual and sick leave.

How does a furlough affect PERS service credit?

A reduction in annual pay will not affect PERS service credit.

How does a furlough affect my PERS retirement benefit?

The amount of employer contributions will be reduced by the same percentage as your furlough. If you are in the PERS Defined Contribution plan (Tier IV), a furlough will reduce the amount paid into your account. For a PERS Tier I, II or III member, if your service credit is not reduced, the salary reduction will not affect your retirement benefit unless you are in one of your high three or five salary years. Contact your regional HR office for more information if you think you might be in one of your high three or five salary years.

How does a furlough affect my ORP retirement?

A furlough will reduce the amount paid into employees' ORP accounts, but does not affect vesting in the plan.

How does a furlough affect my other benefits?

Furloughs will not reduce your FTE (full time equivalent) status. Therefore, your annual leave and sick leave accrual will not be affected. Holiday pay will be reduced by the same percentage as the furlough, like any other pay. Furlough days may be taken before or after a holiday. Annual leave remains subject to a maximum accrual of 240 hours.

How does this furlough affect my health coverage and other benefit deductions?

It doesn't. Your deductions will continue to be withheld from each of your bi-weekly paychecks just as they are now.

How does a furlough affect my agreement to voluntarily reduce my employment?

If you have agreed to a voluntary reduction, that time will be deducted from your mandatory furlough. For instance, if you agreed to a five day reduction in your schedule, you would not be required to take any mandatory furlough days if you are subject to a five day furlough; but if, for example, there is a ten day furlough, your five day voluntary reduction would be deducted, resulting in an additional five days of furlough.

If I am on Family and Medical Leave Act (FMLA) leave, do furlough days affect my leave?

An employee who is approved for FMLA leave may use the mandatory furlough days in place of sick leave or annual leave. Furlough days will not count against an employee's FMLA leave entitlement.

Are any employees exempt from a University furlough?

Yes: employees who hold H-1B visas, as defined in 20 CFR 655.731; graduate/teaching/research assistants, postdoctoral fellows/trainees who do not pay FICA, and other student employees; employees on military leave with pay; employees who perform functions essential to maintain health and safety, as determined by the chancellor or president; and employees whose compensation is derived 100% from restricted funds.

Can I do any work on a furlough day?

A furlough day is to be treated like any other leave or weekend day.

How do I submit my furlough leave?

Use the furlough earnings code of 650 for L- Furlough Time on your timesheets after July 1, 2015, to keep track of the furlough days you take.

What if I have employees who are partially funded from grants who are furlough eligible? How do I account for their effort, budget plan and predict effort and budgets for the future?

The Grants and Contracts offices are the main point of contact for furlough questions as they relate to grants, communication to sponsors, related budgets, effort reporting, etc.