

# Comparing Furlough to Reduction in Work Hours

## Furloughs Without Pay

- Used when a shut-down of operations becomes necessary
- A maximum of 240 hours allowed in a 12-month period
- Impacted employees must be notified prior to action via General Notice
- Must be approved by the Director of State Civil Service prior to action
- Plan must detail employees exempt from furlough and provide business rationale for the exemption
- Plan must also list:
  - A recall schedule to be specific and justified if employees are to be recalled at different times
  - Total work hours or days for each impacted employee
  - Dates and period of time the furlough is effective
  - the organizational unit to be impacted
  - the geographic area to be impacted
- The Commission may approve furloughs up to 450 hours in a 12-month period
- If extraordinary circumstances exist, the Commission may extend furloughs beyond 450 hours

### Impact on Employees

- Employees are on continuous leave without pay
  - Leave without pay for 30 or more days does not affect service credit per SCS 1.39.2(b)7
  - Leave without pay for 30 or more days impacts employee health insurance premium payments
  - Leave without pay may impact retirement benefits (no contributions to the retirement systems while in LWOP status)
  - Employees do not earn any type of leave while on LWOP
  - Employee eligible for U/I after first seven (7) days of furlough

## Reductions in Work Hours

- Used when a shut-down of operations is not feasible
- A maximum of 16 hours in a bi-weekly payroll period allowed in a 12-month period
- Impacted employees must be notified prior to action via General Notice
- Must be approved by the Director of State Civil Service prior to action
- Plan must detail employees exempt from reduction in work hours and provide business rationale for the exemption
- Plan must also list:
  - Number of work hours reduced for each impacted employee
  - Dates and period of time the reduction in work hours is effective
  - the organizational unit to be impacted
  - the geographic area to be impacted

### Impact on Employees

- Employees work a minimum of 64 hours per bi-weekly payroll period
  - State Overtime is now based on the reduced schedule
  - Hours worked in excess of the newly scheduled work week (or work day if the schedule is reduced on a daily basis) shall be credited to ALL employees, but only employees who are Non-Exempt under the FLSA are required to be compensated for any State Overtime earned
  - Exempt employees whose wage falls below \$455 per week become non-exempt under the FLSA
  - Employees continue to earn leave based on the number of hours worked resulting in less leave earned in a bi-weekly pay period
  - Retirement contributions continue but at reduced amount based on the lesser salary in the reduced work schedule