

Flexible Furlough FAQs

Administrative:

1. *How much money is to be deducted?*

.5% of the employee's annualized base salary. Example: An employee's annual salary is \$40,000 and is paid monthly. The amount of the annualized .5% is \$200. The amount deducted from May and June is \$100 each month.

2. *What date is used for the annualized salary?*

May 1, 2009 is used for annualizing the salary unless a subsequent change occurs in May or June.

3. *How does the Flexible Furlough deduction work with regard to garnishments?*

The Flexible Furloughs deduction is taken prior to any garnishments.

4. *Suppose the employee's check is not of a sufficient amount to take the deduction due to the employee being in an overpayment situation?*

As much of the deduction as possible is taken.

5. *How does the Flexible Furlough program work with regard to interns, students, graduate assistants, and work study?*

Individuals in these situations are not impacted by the Flexible Furlough program.

6. *Can individuals' salaries be reduced below the Federal minimum wage?*

No.

7. *How would the pay deduction work for an employee funded 75% state and 25% non-state?*

The employee would be reduced by the full .5% annualized amount.

8. *Does the Flexible Furlough time off have to be taken in minimum increments?*

The same increments should be used that the university uses for leave.

9. *If an employee's work hours change in May or June is the amount reduced still based on the May 1 salary?*

The employee's May 1, 2009 salary is used for annualizing the salary unless a subsequent change occurs in May or June. The amount of time off granted is based upon the work schedule on May 1.

10. *How are new hires during this period treated in terms of administering the Flexible Furlough?*

An employee hired in May or June is totally subject to the rules regarding the Flexible Furlough. Employees who begin employment in May or June have their pay reduced by .5% of their annualized base salary in their paychecks in May and/or June, regardless of what day in the month that they start. Any balance of the .5% deduction not taken in May would be taken in June.

11. *How does the Flexible Furlough program affect the paychecks of employees who leave during the months of May or June?*

If an employee leaves during May, the full .5% deduction is taken in the May check. If an employee leaves during June, the remainder of the full .5% deduction is taken in the June check. This is regardless of end date within the month. For example, if a person's last work day is May 15, the total .5% of their annualized base salary will be reduced in their pay check in May.

12. *What happens if an employee is on LWOP during May and June?*

Employees in LWOP status for the months of May and June will not have any deduction made, nor will they earn any Flexible Furlough time off. Employees who are in LWOP status for portions of either May or June will have the May portion of the .5% deduction taken from their May check and the remainder taken from their June check to the extent possible.

13. *How does the Flexible Furlough program work with regard to temporary and hourly employees?*

- All temporary SPA employees who work 40 hours per week must have their work schedules reduced by ten hours by June 10, 2009.
- All temporary SPA employees who work less than 40 hours per week must have their work hours reduced by a pro-rated amount by June 10, 2009.
- If a temporary SPA employee works on a sporadic basis (irregular number of work hours per week) the supervisor must determine to the best of his/her ability what the average number of hours per week the temporary employee works and then reduce the number of hours by June 10 by a pro-rated amount equivalent to 10 hours for a 40 hour per week employee.

Supervisors of temporary SPA employees have the discretion to determine how to reduce the required number of work hours as long as it is completed by June 10, 2009.

14. *What base salary will be used in reduction calculations for temporary EPA employees who have flat rate contracts?*

Current contract amount would be used. For instance, a ½-time spring semester faculty member's salary of \$6,000, paid in five installments (January through May 2009), would have a reduction of \$30 from May installment.

15. *Are contracts completed by April 30, 2009 impacted? How about contracts ending after April 30?*

Contracts completed by April 30 are not impacted unless the employee receives pay within May or June. For contracts ending after April 30, individuals paid hourly via a contract should be treated similarly to temporaries. Annualized salary or contractual employees is defined as the total amount of base compensation paid during July 1, 2008-June 30, 2009 (the same definition applies to temporary and hourly employees). The .5% deduction in pay is based on the amount paid to the employee during FY 08-09. For the deduction in the May paycheck, .5% is deducted from the annualized salary (based on the payments from July 2008 to date). For June, the payment will be reduced by .5% of any pay not included in the May deduction calculation. Unless the contract specifically prohibits the contractor's salary being part of such a reduction, the university should make .5% deductions to annualized salary in May and June. The Flexible Furlough applies to contractual employees receiving W-2s; contractors receiving 1099s are not impacted by this directive.

16. *How does the program affect employees on H1B visas?*

For employees on H1B visas who were hired at the prevailing wage rate, no deduction will be taken from their paycheck. For employees on H1B visas who were hired above the prevailing wage rate, the .5% deduction will be made from their May and June paychecks.

17. *Can a reduction to an H1-B visa holder's annual salary cause that employee's current annual salary to fall below the 5/1/2009 prevailing wage rate?*

No, but current annual salary of H1-B holders can be reduced to level of 5/1/2009 prevailing wage rate for that position.

18. *Is severance pay subject to the .5% deduction if received in May or June?*

No, deductions will not be made from severance pay.

19. *What should be considered by a supervisor when a faculty member requests flexible furlough leave?*

When considering flexible furlough leave requests from faculty members, the supervisor **must** ensure that approval of any leave request **will not disrupt** classroom teaching hours and that department business needs will be met during any approved absences. Additionally, each supervisor and faculty member is reminded that at UNCG leave taking requires **prior** supervisory approval, which should be documented in the interest of both parties.

Longevity:

1. *Is longevity impacted?*

No.

Retirement:

1. *How is retirement impacted? If employee is “held harmless,” who will pay the retirement system? How will an employee be “held harmless” if participating in the ORP retirement system as some university employees do?*

The legislation to hold employees harmless has been ratified. UNCG is currently working out a method to add the retirement contribution on the pay reduction to everyone’s retirement account.

2. *Will an employee’s law enforcement supplement be impacted?*

No.

Workers’ Compensation/Disability:

1. *Does the program apply to employees on Workers’ Compensation?*

No.

2. *In light of this pay deduction, are employees eligible for Unemployment Insurance?*

No.

3. *How does the program apply to employees on Short-term Disability?*

If an employee is drawing disability in the months of May and June they are exempt from the pay reduction. If they are depleting leave, or otherwise receiving full pay, they are subject to the reduction.

Leave:

1. *If an employee leaves state service in May or June, how are the leave payouts calculated?*

The normal leave payouts (annual and bonus) calculated as though the May and June Flexible Furlough had not occurred. The normal hourly rate of pay prior to implementation of the Flexible Furlough program should be used.

2. *How are “employment verifications” requests responded to during May and June?*

Use unreduced annual salary for this purpose; however, if current pay (in May or June) is specifically requested, explanation will need to be provided.

3. *Do employees have to take the Flexible Furlough time off prior to taking other leave?*

No, but employees should be encouraged to take the Flexible Furlough time off before using other leave as the opportunity to take this time off ends December 31, 2009.

