

# Livingston County Michigan Human Resources Policy Manual

<b>Section:</b> <b>Subject:</b>	<b>Voluntary Furlough</b>
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## A. POLICY

### 1. PURPOSE:

The Voluntary Furlough Policy was designed with a primary goal to reduce salary costs while maintaining services. The objective of voluntary furlough is to contribute to the reduction of the budget deficit and to allow employees to take additional time off of work while preserving their vacation accruals.

### 2. POLICY STATEMENT:

It is the policy of Livingston County to initiate a voluntary furlough leave. All employees without exception will be eligible to apply for unpaid furlough pending letter of understanding receipt from the various bargaining groups.

This is a procedural change to the Absence Policy beginning immediately. Employees, including Department Heads may request specific time off without pay.

An employee must submit a request for voluntary furlough hours in writing to the supervisor. All supervisors are encouraged to make reasonable efforts to accommodate employee requests for furlough hours, but all should recognize that the furloughs will be scheduled to minimize disruption to the efficient operations of the department.

Furlough is considered an excused absence for holiday pay for eligibility purposes.

Furlough does not change the six-month waiting period for usage of vacation for new hires.

Failure on the part of the employee to return to work, as directed, from voluntary furlough without pay shall be cause for discharge subject to union contract provisions.

Furlough days are not to be used as a part of a progressive disciplinary process.

If voluntary furlough time is used and is eligible for FMLA purposes, the voluntary furlough time will be counted towards the employees' annual FMLA usage.

Use of voluntary furlough may affect the employees' eligibility for various benefits. This is not time worked and therefore, benefits earned based on time "worked" may not be accrued during time off without pay.

If, however, your status is reduced on average to 30 hours a week, you will be required to pay for ¼ of your health care selection plus any additional sharing of health care costs imposed by the County. If your status is reduced on average below 30 hours, you will no longer be eligible for health care, life insurance, short term and long term disability.

Employees approved for furlough shall retain their anniversary date for merit increases and shall be eligible to seek promotions while on furlough.

If a layoff should occur while an employee is on a voluntary furlough, the employee's status shall be determined as if the employee was in active status. For example, if the employee was on active status, and the employee would have been subject to layoff notice, he/she will receive a layoff notice and his/her status shall be determined by following the County's policy on Workforce Reduction.

Insofar as possible, employee's requesting Voluntary Furlough shall be allowed to select the date(s) for furlough so long as the selected date(s) does not interfere with delivery of service or other work to be done, does not result in the payment of overtime, and does not disrupt the continuity of operations.

3. APPLICABILITY:

All full-time, part-time and temporary staff will be eligible for voluntary furlough pending receipt of Letters of Understanding from the various bargaining groups. New hires also can apply for voluntary furlough days. Non-Exempt employees may also request a reduction in the number of work hours in a day.

Voluntary Furlough will be in effect until further notice, and will not be lifted without an affirmative action taken by the Board of Commissioners.

4. DEFINITIONS:

Furlough – placing an employee in a temporary nonwork status.

Exempt Employee – Fair Labor Standard Act (FLSA) job categories which include occupations which fall under Elected and Appointed Officials and Administrators; and Professionals.

Non-Exempt Employee – Fair Labor Standard Act (FLSA) job categories which include occupations which fall under Technicians; Protective Service Workers; Paraprofessionals; Administrative Support; Skilled Craft Workers; and Service Maintenance.

Final Average Compensation (FAC) – Final average compensation is the average of the highest consecutive three (3) year or five (5) year period of the employee's credited service for determining a defined benefit pension amount.

MERS Service Credit - You will earn a month of pension service credit for each month you work and meet Livingston County's service requirement that includes working at least 21 hours each week or ten (10) eight (8) hour days. This excludes part-time and temporary (normally requiring less than six (6) months of work) employees.

5. REFERENCE AND LEGAL AUTHORITY:

Fair Labor Standards Act (FLSA)  
Municipal Employee's Retirement System of Michigan (MERS)  
Family and Medical Leave Act (FMLA)

6. SEE ALSO:

Vacation Policy  
Sick Policy  
FMLA  
Holiday Pay  
Workforce Reduction Policy  
Position Action Request (PAR) Form

7. SUPERSEDES:

8. APPROVED BY:

Personnel Committee: July 15, 2009

Finance Committee: July 22, 2009

Board of Commissioners: August 3, 2009

9. RESOLUTION: No. 2009-08-236

10. REVIEW HISTORY:

B. PROCEDURE:

The Voluntary Furlough Policy is a procedural change to the Personal Leave of Absence/Absence Without Pay Policy.

- 1) Interested employees will need to indicate their desire for Voluntary Furlough in writing to their Supervisor/Department Head/Elected Official.
- 2) Employees must first obtain advance written approval from their Supervisor/Department Head/Elected Official prior to taking any voluntary furlough time.
- 3) The Supervisor/Department Head/Elected Official will ensure any time off due to voluntary furlough will be coded as 'Furlo Hr' in e-time. The Supervisor/Department Head/Elected Official will prepare a Position Action Request (PAR) Form authorizing the voluntary furlough time for any time in excess of ten (10) days per month. Note: a PAR Form is also needed for all time requested by an Exempt Employee in order to readjust their pay for that period. This PAR will be processed in the same manner as any other Personnel Action Request. Copies of the approved PAR will be provided to the staff, the authorizing department, payroll and Human Resources.
- 4) The employee's paycheck will be reduced during the pay period the voluntary furlough time is taken.
- 5) Under the voluntary furlough program, the time taken off will be without pay, and the employee's current benefits will remain in effect, unless reduced earnings for the pay period are not sufficient to cover deductions.
- 6) Since annual compensation will be affected, your Final Average Compensation for MERS will be impacted in the year in which furlough is used.
- 7) Other leave balances do not have to be exhausted to participate in this program.
- 8) This is not-time worked, and therefore, benefits earned based on time "worked" may not be accrued during time off without pay.
- 9) Voluntary time off will not be approved if overtime is requested to cover for the employee's absence.
- 10) This program cannot be used to extend a date of retirement or extend a date of resignation.
- 11) Use of furlough days will be coordinated with departments that depend on others to fulfill their responsibilities.

- 12) If it is necessary for the County to require mandatory time off or layoff in order to balance the budget in this or future fiscal years, no credit will be given to those who volunteer for the time off except for current fiscal year.

## **Questions and Answers regarding Voluntary Furlough**

**1. How do you indicate voluntary furlough on your time sheet?**

Zero hours worked will be reflected on your time sheet utilizing time sheet code of "Furlo Hr". Your time sheet will be verified by the authorizing Position Action Form (PAR.)

**2. What happens if several people in my department want to take the same furlough days off?**

It is up to your Supervisor/Department Head/Elected Official to coordinate voluntary furlough days off for your department using procedures like those for approving multiple vacation requests. This also includes any "emergency" or last minute requests for time off work.

**3. Can I string together vacation days and multiple furloughs to extend my time off of work?**

That's up to your Supervisor/Department Director/Elected Official.

**4. Once I have submitted my furlough request, will I be able to change requested dates?**

It's up to your department guidelines for scheduling time off. Supervisors will be encouraged to make reasonable efforts to accommodate furlough schedule requests.

**5. If I take furlough on the week where the following Monday is a holiday (say the week before Labor Day) is that holiday a paid day off?**

Furlough is considered an excused absence, so yes, you would get paid for the holiday the following Monday.

**6. As an employee, can I take furlough days in one pay period that might result in a net pay of \$0 and place my medical, optical, supplemental life insurance, etc. into arrears?**

If you have written supervisory approval, yes you can.

**7. How will you determine the amount of pay to deduct for my furlough time off?**

The amount of furlough will equal your hourly rate times the number of furlough hours requested in the pay period. The "hourly rate" will equal the annual salary divided by 2080 hours (52 weeks x 40 hours) for employees working 40 hours.

**8. What if my pay for the week or month is insufficient to permit deductions to be made from my check? What is the order of withholding precedence?**

The Payroll Department must comply with applicable laws, regulations and other legal authorities when administering deductions from your paycheck. Generally, the remaining deductions are taken in the following order:

- Federal and State Tax Withholdings
- Pre-tax deductions such as health, optical, flexible spending accounts
- After tax deductions such as supplemental life insurance, child support, garnishments, union dues etc.

If your pay is insufficient to cover all deductions, most of the deductions will go into arrears and will be deducted in the next pay period. Child support, wage garnishments, will not be placed into arrears.

**9. Do your furlough hours count as time worked for calculating overtime pay?**

No, furlough time does not count as hours worked in calculating overtime.

**10. Will my furlough time have an effect on your retirement benefits?**

Yes it could providing that span of time was used in determining your highest consecutive five (5) year (60) month period of Livingston County service or three (3) year (36) month period.

**11. What happens to my insurance and retirement service credit during voluntary furlough?**

The intermittent nature of furlough is designed to avoid any adverse impact to medical benefits, retirement service credit, etc. If you are on pay status for at least 10 eight-hour work days during the month, you are entitled to uninterrupted medical/dental coverage and continued service credit for retirement calculations. If, however, your status is reduced on average to 30 hours a week, you will be required to pay for  $\frac{1}{4}$  of your health care selection plus any additional sharing of health care costs imposed by the County. If your status is reduced on average below 30 hours, you will no longer be eligible for health care, life insurance, short term and long term disability.

**12. What happens to my vacation/sick leave accruals during the furlough period?**

The intermittent nature of the furlough is designed to avoid any adverse impact to vacation, sick leave accruals, etc. If you are receiving compensation for at least ten eight-hour days a month, you are entitled to your accrual vacation time and sick leave.

**13. Can I change the amount deducted for my Flexible Spending Accounts (health care reimbursement or dependent care reimbursement):**

Due to IRS requirements, you may not change the amount of your Flexible Spending Account in the middle of a benefit year unless you experience a qualified status change. The next time you are eligible to change the amount would be during open enrollment.

**14. What if an employee is sick for five consecutive days and has a planned furlough day on the fourth day. Can he change furlough day to a sick day?**

It depends on if the employee is on Family and Medical Leave (FMLA) in conjunction with the sick leave. If the employee is on an approved FMLA for those five days, the employee would take the five sick time days since the FMLA policy requires paid leave to be used prior to being placed on unpaid status. If you have exhausted your paid leave while on FMLA, your furlough will run concurrent with unpaid FMLA leave.

If the employee is not on FMLA, the employee who requested a furlough day cannot change the furlough day into a sick day once the furlough day has been approved by the supervisor. In both instances, the provisions are subject to individual collective bargaining agreements and will be contingent on the various union contracts.

**15. What if Livingston County closes its offices due to inclement weather during my scheduled furlough days off?**

If Livingston County closes due to inclement weather on your scheduled furlough day, an employee cannot reschedule the furlough day.

**16. Will I be able to receive unemployment benefits if I am approved for Voluntary Furlough?**

Your eligibility for unemployment benefits is determined by the State of Michigan. However, the County will provide information to the State indicating your desire to reduce your hours or days worked.