

# Furlough Policy

## August 13, 2009

### Policy

The Board of Regents has authorized the Chancellor to implement a Mandatory Furlough Program for University System employees in fiscal year 2010, if necessary.

### FY2010 Mandatory Furlough Program Procedures

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. 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.

Presidents are authorized to order additional furlough days if necessary to meet institutional budget reduction requirements.

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.

### Employee Pay and Benefits

All University System employees must take six work days as furlough leave without pay, as well as any furlough days ordered by their institutional president, between July 1, 2009, and June 30, 2010. Academic-year employees must take mandatory furlough days prior to the end of the academic year.

- Hourly, non-exempt employees under the Fair Labor Standards Act will continue to be paid for days worked and will not be paid for the days for which they take furlough leave without pay.

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- Exempt employees under the Fair Labor Standards Act will not be paid for the days for which they take furlough leave without pay. The salary reduction will occur in the pay period in which the furlough leave without pay is taken.
- Furlough leave without pay will not affect healthcare benefits. Employees will receive the same healthcare benefits as otherwise available to them. Accordingly, for example, employees will continue to accumulate annual and sick leave at their normal rate. 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.
- Employees are expected to observe all paid holidays and are allowed to take accumulated annual and sick leave and other paid leave as approved. However, employees are still required to take required days of furlough leave without pay during the fiscal year and may not use other available leave to avoid taking required furlough leave without pay.
- For employees covered by the Employees Retirement System of Georgia, furlough leave without pay will not affect the employer or employee contributions.
- For employees covered by the Optional Retirement System, furlough leave without pay will not affect the employer or employee contributions. However, institutions must offer employees covered by the ORP the opportunity to reduce the employee's contribution to the amount based on actual earnings that reflect the furlough leave without pay.
- For employees covered by the Teachers Retirement System of Georgia, furlough leave without pay will not affect the employer or the employee contributions.

#### **Scheduling**

- Presidents are authorized to set the schedule for furlough days at their institutions. President 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. A full day of furlough leave without pay is equal to eight hours.
- *Furlough days shall not result in the cancellation of classes.*

#### **Miscellaneous**

- The placement of an employee on mandatory furlough does not constitute grounds for a grievance or appeal.
- The Vice Chancellor for Fiscal Affairs will issue guidelines to institutions on how to calculate the effect of furlough leave without pay on employee salaries. All institutions must follow these guidelines.

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- Presidents must submit institutional furlough plans to the appropriate sector head, with a copy to the Office of Legal Affairs, for review. The furlough plans must indicate if the furloughs will result in the closing of the institution or one of its major units. Furlough plans that anticipate more than the six days of furlough leave without pay must be approved by the appropriate sector head prior to implementation.
- 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.
- A furlough-based reduction in the pay of an employee who is otherwise exempt from the wage and hour requirements of the Fair Labor Standards Act will cause such an employee to become a non-exempt employee for the work week in which the furlough occurs and for which the employee'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 (just the week, not the pay period) of the furlough, keep a record of hours worked. Each institution should record these hours in its payroll system via a calendar or other mechanism. Affected employees may not exceed 40 hours in combined furlough and work hours during the furlough week unless they are authorized, in advance, to do so by their supervisor. Any hours in excess of 40 combined furlough and work hours during the furlough week must be reported to the employee's supervisor to update the appropriate system's record of hours. Physicians, lawyers and teachers (including our faculty members) are exempt from this requirement and may be furloughed without the loss of exempt status in the furlough week.
- Owing to federal regulations, employees on H-1B visas are exempt from furlough leave without pay.

#### **Documentation and Reporting**

- Institutions must be able to provide the following information throughout the fiscal year:
  1. Total number of employees who have participated in the furlough program,
  2. Total number of furlough days, and
  3. Estimated cost savings.
- Institutions should maintain internal documentation for record-keeping purposes.