

The University of Arizona
Frequently Asked Questions (FAQs) regarding Furloughs
Last revised 3/16/09

Please be aware that this is not an exhaustive list of furlough issues but rather answers to general questions regarding furloughs based on current information. Situations may change which will impact these FAQs. The process/procedures for implementation of the furlough will be forthcoming in a separate document at a later date.

What is a mandatory furlough?

A furlough is a leave of absence without pay that is implemented as a cost savings measure.

Why is The University of Arizona implementing a furlough?

This is a cost saving measure designed to respond to budget reductions imposed by the Arizona State Legislature. Furloughs provide temporary dollars and thus allow the University to transition to a new, smaller state base budget for FY2010 in a thoughtful and strategic fashion. Furloughs will not lessen or reduce the burden of permanent cuts that will need to be implemented. However, we do hope that as the furloughs give us more time to apply the permanent cuts, we will achieve more of the necessary workforce reduction through voluntary attrition and less through layoffs.

Who is required to participate in a mandatory furlough?

All benefits-eligible UA employees paid by state and locally allocated funds will participate with the exception of the following: student employees, graduate teaching and research assistants and associates, ancillary, postdoctoral scholars who serve under the conditions of Post Doctoral Service (UHAP Chapter 12, Conditions of Post Doctoral Service), employees on H1-B visa status, and clinical assistants (medical residents) are exempt from this process.

How many days do I have to take off as furlough days? Updated 3/16/09

There are four furlough levels (only one will apply to each individual):

Employees with an annualized salary of \$40,000 or below – 3 days (or 24 hours)

9 month employees – 4 days (or 32 hours)

12 month employees – 5 days (or 40 hours)

Administrators* – 7 days (or 56 hours)

**President, Provost, Deans, Associate Deans, Assistant Deans, Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, Vice Provosts, Associate Provosts and Assistant Vice Provosts.*

How will the funding for my position affect the number of my furlough hours?

Furlough hours will be based the percentage of your salary that comes from state and locally allocated funds.

The following examples are based on an employee with an annual salary of more than \$40,000:

- A 12-month full-time employee funded completely with state and/or locally allocated dollars would take 5 furlough days (40 hours).
- A 12-month half-time employee paid completely with state and/or locally allocated dollars would take 2.5 furlough days (50% of 40 = 20 hours).
- A 12-month full-time employee funded 20% on sponsored dollars and 80% on state funds would take 4 furlough days (80% of 40 = 32 hours).

Will my unit receive acknowledgement for the salary savings associated with my furlough hours? Yes.

Will I be paid for these hours?

No. A furlough is leave without pay.

May I apply paid annual leave, paid sick leave or compensatory time towards the furlough?

No. A furlough is leave without pay.

Can I choose to report to work on furlough time? Updated 2/17/09

No, furlough time is non-work time.

When do I take time off for the furlough? Updated 2/24/09

Supervisors and employees will identify the appropriate number of furlough hours required between July 1, 2009 and June 30, 2010. Employees may request to schedule furlough time in partial-day or full-day increments. The smallest allowable increment is **ONE HOUR**. Supervisors will pre-approve the furlough schedule for each individual in accordance with departmental needs.

I am paid a salary and am exempt from overtime. May I take my unpaid furlough time in increments of 1 hour as stated above? How will my pay be affected? Updated 3/13/09

Yes. Employees exempt from overtime may take furlough time in increments of 1 hour. Your pay will be reduced by the amount of furlough hour(s) used. It's important that employees who are exempt from overtime do not work more than 40 hours in a work week that includes any furlough hour(s).

The University is a public sector employer, and the rules that pertain to furloughs are different from the rules applied to a private sector employer. The Fair Labor Standards Act (FLSA) requires that a job meet the salary level test (\$455/work week) and the salary basis test (being paid unchanging salary for performance of the whole job). However, the law also includes an important exception to this policy for public sector employers forced to implement a budget required furlough. "Deductions from the pay of an employee of a public agency for absences due to a budget-required furlough shall not disqualify the employee from being paid on a salary basis except in the workweek in which the furlough occurs and for which the employee's pay is accordingly reduced." C.F.R. §541.710 (Employees of Public Agencies), subsection (b)

How will my paycheck be affected?

Your pay will be reduced by the number of furlough hours you take during any given pay period.

How will my benefits be affected?

- Furlough leave without pay will not affect your eligibility for state benefits such as health and dental insurance.
- Voluntary life insurance and voluntary short-term disability insurance benefits and premiums are calculated as a percentage of earnings and therefore, will be reduced slightly.
- Long Term disability benefits and premiums under the Arizona State Retirement System are calculated as a percentage of earnings and therefore, will be reduced slightly.
- Arizona State Retirement System and Optional Retirement Plan contributions will be reduced slightly. (ASRS Link: http://www.azasrs.gov/web/pdf/Fact_Sheet_Furloughs.pdf)
- Unpaid furlough time will not impact the accumulation of paid annual leave, paid sick leave, and retirement service credits
- Arizona State Retirement System participants nearing retirement will be interested in reading a special notice from ASRS regarding the potential impact on the pension benefit for someone nearing retirement age. (ASRS Link: http://www.azasrs.gov/web/pdf/Special_Notice_FSRP.pdf)

May I purchase the unpaid furlough days through the ASRS Service Purchase program?

No, service purchases do not apply to furloughs lasting less than one month. To learn more about this, visit the ASRS website and select the "Forms" category, and use the Service Purchase Calculator. (ASRS Link: http://www.azasrs.gov/web/pdf/Special_Notice_FSRP.pdf)

How do I submit my request for furlough days?

Furlough requests will be handled like departmental annual leave requests.

May I donate part of my pay to support other employees in need?

No. Each employee will be required to take the time identified.

How will the furlough program affect an employee hired during the FY 2010?

New employees hired anytime during the FY 2010 fiscal year will be required to participate in the program on a pro-rated basis. Offer letter templates on the Human Resources website will be updated accordingly for FY2010.

What if my grant ends and the department funds my position for the remainder of the year on state funds?

You will be furloughed at the appropriate level pro-rated for the remainder of the year.

Can I request a furlough the day before or the day after an observed holiday or in conjunction with my vacation?

Yes, as long as the furlough is pre-approved by your department.

If an employee uses approved Family Medical Leave in FY 2010, what is the impact on the employee's required furlough?

Furloughs must be taken in addition to any FML taken. You will take furlough hours on a pro-rated basis for the part of FY 2010 outside your approved FML period.

If I am on sabbatical or leave without pay, am I subject to the furlough?

Yes. Furlough days will be pro-rated by your FTE.

If I work a flexible year in FY 2010, will I also have to take furlough hours?

Yes, the furlough will be in addition to the flexible year non-work period. For more information on the flexible work year, visit <http://syscon.web.arizona.edu/docs/flexmemo09.doc>

Will the mandatory furlough interrupt delivery of education to our students?

Faculty and instructional personnel will be required to take furlough hours outside of classroom hours.

How do I file a grievance regarding the mandatory furlough?

In accordance with the ABOR resolution, the President's decision to impose furloughs is not subject to the University's grievance processes for classified staff, professionals or faculty. If an employee believes that his/her furlough was the result of unlawful discrimination, then he/she may file a complaint with the University's Equal Opportunity and Affirmative Action Office, in accordance with procedures available at <http://w3fp.arizona.edu/affirm/Invprocp.htm>.

How will the furlough be handled for employees who have more than one UA job?

The furlough will apply to each job funded by state or locally allocated dollars, pro-rated by FTE.

Am I eligible for unemployment during my days off? Updated 3/4/09

No, UA employees are not eligible for unemployment compensation during their days off.

How will the furlough affect garnishments being deducted from my paycheck?

Garnishments that are based on percentages of pay will be reduced based on your earnings.

How will the mandatory furlough affect child support payments taken out of my paycheck?

The University forwards a set amount in accordance with court orders, so this dollar amount will not be reduced.

What are Locally Allocated Funds? Updated 2/24/09

Locally Allocated Funds are dollars that are available to central administration to allocate in support of units without alternate sources of income or to units that serve units across the campus. The following are the sources that make up the Locally Allocated Funds along with some of their uses:

Indirect Cost Recovery derives its revenue by charging certain sponsored activities at a negotiated rate of overhead. The locally allocated portion is budgeted to support the central administrative activities that contribute to the calculation of the recovery. Locally allocated indirect recovery does not include departmental and college indirect cost accounts.

The Investment Income Fund receives revenue from the investment of University local cash balances. The University is able to assist in funding many activities through these funds including but not limited to scholarships/fellowships, some central administrative units, land acquisition and utilities.

Administrative Service Charge revenue is generated by certain local sales and service activities at a rate established each year by the administration. These dollars provide funding support for areas such as the Budget Office, Risk Management, Office of the General Counsel, etc.

Locally Retained Fees are set aside from a portion of the student tuition revenue that is retained locally and not returned to the State. This funding source provides dollars for student related costs in areas such as Campus Health Service, Student Union, Campus Recreation and ASUA.

How do I find out if my funding source requires me to be furloughed? Updated 3/4/09

Your departmental business manager can provide that information.

What will happen if I fail to take my required furlough days by the end of FY 2010? Updated 3/4/09

A: We are confident that employees and supervisors will plan ahead in order to avoid a forced furlough at the end of your FY 2009/2010 work year.

How does furlough time affect overtime compensation? Updated 3/4/09

When a non-exempt employee physically works more than 40 hours in a work week, he or she is eligible for overtime compensation. Furlough time is not work time.

If a non-exempt employee is called back to the University for an emergency on a furlough day, does the Call-Back policy of time and a half for time worked still stand even if the employee has not worked 40 hours due to furlough time taken? Updated 3/4/09

If a non-exempt employee is required to report to work from furlough status (physically, remote access, by phone, etc.) the Call-Back Policy (Classified Staff Policy 312 -- <http://www.hr.arizona.edu/policy/312>) guarantees the employee two hours of pay at time and one half pay. This guaranteed premium pay is always separate from any other hours worked or not worked in the work week.

Does furlough taken change an employee's anniversary date? Updated 3/4/09

No; furlough time will not affect an employee's anniversary date.

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