

**RESOLUTION**

221-2011

**Volunteer Furlough Policy – Human Resources**

WHEREAS, The Ways & Means Committee met in regular session on December 21, 2011 and reviewed recommendations from the Director of Human Resources to approve the Voluntary Furlough Policy (attached hereto); and,

WHEREAS, This policy is presented for consideration and outlines the process to allow voluntary furlough's, at the request of the employee, during a budgetary shortfall or other time as deemed appropriate by the County Administrator; and,

WHEREAS, the Ways & Means Committee concurs with the recommendation.

NOW, THEREFORE, BE IT RESOLVED BY THIS BOARD OF COMMISSIONERS, THAT Grand Traverse County approve the Voluntary Furlough Policy and Procedure, attached hereto and hereby becoming a part of this resolution, which outlines the process to be used as deemed appropriate by the County Administrator.

APPROVED: December 28, 2011



## GRAND TRAVERSE COUNTY

# VOLUNTARY FURLOUGH POLICY AND PROCEDURE

Effective: December 28, 2011

Grand Traverse County reserves the right to revise, supplement, clarify or rescind any policy or portion of a policy when deemed appropriate by the Board of Commissioners or County Administrator.

### 1.0 OVERVIEW

#### 1.1 Intent of Policy

This policy is adopted to allow voluntary furloughs during a budgetary shortfall or other time as deemed appropriate by the County Administrator, and is in addition to the Grand Traverse County Personnel Policies and serves as a general guide to the County's employment practices and procedures. This policy is not intended to be a contract, express or implied, or any type of promise or guarantee of specific treatment upon which the employee may rely, or as a guarantee of employment for any specific duration.

This policy is specifically intended to assist the County when there are identified funding shortages. The County Administrator, in consultation with the Human Resources Director and Finance Director, is responsible for identifying when there is a funding shortage and when this policy can be utilized. Furlough is defined as the temporary placement of employees without duties and without pay.

#### 1.2 Scope of Policy and Process

In cases where this policy conflicts with any County ordinance, the provision of a collective bargaining agreement, state or federal law, the terms of the law or agreement prevail. In all other cases, this policy applies.

The County Administrator may approve voluntary furloughs upon written application by individual employees using the Furlough Request Form. At his/her sole discretion, the County Administrator reserves the right to approve or deny voluntary furlough requests, based on the business needs of the County. Under this policy, voluntary furloughs are purely voluntary on the employee's part, and the County cannot mandate that any employee take voluntary furlough days. Employees requesting voluntary furlough days should provide a written request, with department head concurrence, to the County Administrator at least one (1) week before the requested furlough day(s). The County Administrator reserves the right, at his/her sole discretion, to limit or reduce the number

of days being requested, based on the business needs of the County and/or require the employee to use paid leave before going on furlough.

### 1.3 Definitions

The following definitions are meant to clarify the language used in this policy in reference to the furlough process and eligibility.

**Furlough** – The temporary placement of employees without duties and without pay. Furloughs will be administered as follows:

1. Approval of furlough is to be processed in writing.
2. During a furlough day, furloughed employees remain County employees.
3. Outside employment for furloughed employees remains subject to the County's policies, procedures, collective bargaining agreements, and other established guidelines.
4. Furloughed employees may not volunteer to do what the County otherwise pays employees to do.
5. Health insurance will continue in full for a furloughed benefit-eligible employee unless the employee is on unpaid leave more than thirty (30) consecutive days.

**FLSA-Exempt Employee** – An individual designated by the County Administrator as being employed in a bona fide executive, administrative, or professional capacity, as defined by the Fair Labor Standards Act (FLSA) and who is therefore exempt from the overtime pay and minimum wage requirements of the FLSA.

**Furlough Day** – Any day in which a furloughed employee is placed temporarily in a status without duties and without pay due to a financial need to reduce expenditures caused by declining revenues.

**Hourly** – An employee who is entitled to be paid for all actual hours that he/she is required or permitted to work at either the straight time regular hourly rate for hours worked up to and including forty (40) hours in the workweek or overtime hourly rate at one and one-half (1 ½) times the hourly employee's regular rate of pay for each hour worked in excess of forty (40) hours in the workweek.

**Voluntary Furlough** – A furlough day or days, initiated at the request of an employee, in which the employee is in a temporary status without duties and without pay due to a financial need to reduce expenditures caused by declining revenues.

## 2.0 CLASSIFICATION

### 2.1 FLSA-Exempt Employees

All employees, including FLSA-exempt employees, who are identified as furlough-eligible, will be strictly prohibited from working on furlough days. During weeks in which a furlough occurs, FLSA-exempt employees will be converted to hourly status. FLSA-exempt employees will be required to track their hours consistent with the standard hourly tracking practices used in their home department. During the period when FLSA-exempt employees are converted to hourly, they must subscribe to standard working hours and all other rules (e.g., rest periods and meal periods) which are required in their home department. For example, partial day absences due to medical appointments

must be requested in advance and deducted from the employee's sick leave accrual balance.

During weeks in which FLSA-exempt employees are converted to an hourly status, care must be taken to ensure that hourly rules are observed. FLSA-exempt employees converted to an hourly status in a week in which a furlough occurs are specifically directed not to work hours in excess of a standard schedule without the specific authorization of their supervisor or department head. FLSA-exempt employees must observe the agreed upon starting and ending times to each work day. Such work includes being physically present in the office, working at home, working online, working on the telephone, "working lunches," working on a blackberry or working on a cell phone. All work in the service of the County for which an individual does not receive compensation through the approval process, including overtime, is prohibited. Attendance at off-hour meetings such as public hearings is compensable, if the employee is there representing the County, and must be recorded during furlough-affected weeks. During weeks in which FLSA-exempt employees are converted to hourly status, they may flex their work schedules, on an hour-for-hour basis within the work week, to make up for time worked off-hours (evening meetings, for example).

## **2.2 Regular Part Time / Hourly**

Regular part-time and hourly employees will take the furlough days as scheduled. If a regular part-time or hourly employee is working an alternative workweek which provides for a regularly scheduled day off on a scheduled furlough day, an alternate unpaid furlough day will be scheduled preferably within the same week as the standard furlough day. Regular part-time and hourly employees will not be used to substitute for regular full-time employees who are on furlough days.

## **3.0 PAY AND BENEFITS**

Unless otherwise provided for in an applicable collective bargaining agreement, the following applies:

### **3.1 Adjusted Service Date**

An employee's adjusted service date (for leave accrual, seniority, and other purposes) shall not be changed due to unpaid furlough days.

### **3.2 Probationary Periods**

Furlough days will not be considered as a reason to extend a standard probationary period, unless an employee is on more than fifteen (15) furlough days during the probationary period.

### **3.3 Meal/Rest Periods**

There will be no change in meal and rest periods due to furlough days being observed in any workweek.

### **3.4 Recordkeeping Requirements**

Under the FLSA, the County is required to keep records on employee time. For FLSA overtime-eligible employees, this means that records must be kept for hours worked each day and the total hours worked each workweek. Recordkeeping requirements also apply to FLSA-exempt employees who are identified as furlough-eligible because they are converted to hourly employees in a week in which a furlough day occurs. During

such weeks, FLSA-exempt employees will be required to conform to all of the policies normally observed by hourly employees. Attendance at off-hour meetings, such as public hearings, are compensable, if representing the County, and must be recorded during furlough affected weeks.

### **3.5 Overtime / Compensatory Time**

Those terms and conditions describing overtime and compensatory time contained in collective bargaining agreements, County policy, ordinance, or any other recognized guideline will continue to apply. When FLSA-exempt employees are converted to an hourly status during a week when a furlough occurs, hourly terms and conditions will apply to them. For example, an FLSA-exempt employee who, due to business conditions such as an emergency call out, works more than forty (40) hours in a week while in an hourly status will earn overtime payment or compensatory time.

Unpaid leave (furloughs) will not count as hours worked toward the overtime threshold.

### **3.6 Medical, Dental, Vision Benefits**

Medical, dental, vision, and other insurance benefits will be unaffected by the furlough except when an employee is on unpaid status for thirty (30) consecutive days or more.

### **3.8 Defined Contribution and Defined Benefit Retirement Plan Contributions**

The County's Defined Contribution retirement plan is based on earnings. Furloughs will reduce earnings and therefore reduce the County's and the employee's contribution to the Defined Contribution Plan. Employee participation in other plans such as the 457 deferred compensation plan which are contributed as a percentage of income will also be reduced accordingly.

## **4.0 ALTERNATIVE WORK ARRANGEMENTS**

### **4.1 Alternate Workweeks**

Individuals working a compressed workweek (e.g., 9/80 or 4/10 hour workweeks) may take unpaid furlough days. Individuals working an alternative workweek who have a normal day off on a scheduled unpaid furlough day may schedule and observe an alternate unpaid furlough day within that same pay period.

### **4.2 Timekeeping**

Each department is responsible for establishing methods to ensure voluntary furlough days are observed by each furlough-eligible employee.

## **5.0 LEAVE ADMINISTRATION**

### **5.1 Vacation and Leave Accruals**

The accrual of vacation and sick leave will not be affected by furlough days, unless the employee is in unpaid status for thirty (30) consecutive days or more.

### **5.2 Vacation**

Employees may not use their paid vacation benefit on a day they would not normally be paid. Furlough days are not paid.

### **5.3 Vacation Carryover**

Failure to use vacation leave beyond the maximum accrual amount results in forfeiture of the vacation leave unless specific "carryover" authorization has been provided by the County Administrator or Department Head. This policy will not be changed as a result of furlough days.

### **5.4 Family Medical Leave (FMLA)**

Employees will continue to have twelve (12) weeks of protected Family Medical Leave as allowed under the Family Medical Leave Act (FMLA). Employees will not have a right to be paid on any day for which they would not normally be paid. In other words, employees on FMLA are not entitled to a voluntary furlough day.

**Eligibility** – A furlough day is considered to be a regular day off and should not be counted when calculating leave eligibility. For example, when calculating whether the employee worked 1,250 hours in the previous twelve (12) month period under FMLA, one would not count any furlough days as earned or hours worked.

### **5.5 Military Leave**

Department Heads will continue to grant military leaves in accordance with the law. Such leaves are made with pay to employees eligible for leave benefits for the purpose of taking part in active duty or military training. Employees are not eligible to be paid for military leave on days when they would not normally be paid.

### **5.6 Active Military Duty**

USERRA provides that employees on a furlough or a leave of absence are to be given the same rights of employees on other types of leave. In the case of a furlough, active military employees do not have any more rights than other employees to use paid leave accruals while on leave for military service. For employees receiving supplemental military pay, furloughs will impact their regular differential pay. Employees will not receive supplemental pay for furlough days.

### **5.7 Bereavement Leave**

Employees are not eligible to be paid for bereavement leave on days when they would not normally be paid. Department Heads will continue to approve bereavement leave within the limitations established. Department Heads may not approve the payment of bereavement days for scheduled unpaid furlough days.

### **5.8 Jury Duty**

Employees are not eligible to be paid for jury duty on days when they would not normally be paid. Employees called to jury duty during a furlough day would not be eligible to receive their regular compensation on that day but may be eligible to keep their court-provided jury duty pay for that day which would otherwise be returned to the County.

### **5.9 Sick Leave Use**

Employees may not use sick leave for furlough days. Employees may use paid leave benefits only on those days they are normally scheduled to work. Employees are not eligible to be paid for sick leave on days when they would not normally be paid.

### **5.10 Compensatory Time**

Employees are not eligible to be paid for compensatory time on days when they would not normally be paid. Compensatory time will not be used in place of designated unpaid furlough days.

FLSA-exempt employees who are permitted to earn compensatory time during a furlough week in which they are designated as hourly must also use compensatory time during a furlough week in which they are designated as hourly. Department Heads must consider very carefully (in advance) whether compensatory time will be approved in lieu of overtime payments. The recommended approach is that all hourly employees work within the forty (40) hour workweek structure and not incur compensatory time or overtime during a designated furlough week. Any furlough-eligible employee incurring unapproved compensatory time or overtime during a designated furlough week will be subject to discipline.

### **5.11 Holiday Pay**

The requirement to have worked in full the regularly scheduled straight time work day prior to the holiday and the regularly scheduled straight time work day subsequent to the holiday will be waived in those circumstances where that day is a furlough day.

## **6.0 ADDITIONAL**

### **6.1 Grievance Procedures/Timelines**

Grievance procedures typically specify the number of days for each step of a grievance. The number of days are typically specified as "days," "calendar days," or "business days." This policy does not change any of the terms and conditions contained in collective bargaining agreements.

### **6.2 Emergency Procedure**

In those cases where an emergency call out occurs on a furlough day or during a furlough week, hourly and FLSA exempt employees may be called back to work. Such employees are compensated in accordance with standard compensation procedures and in conformance with the applicable collective bargaining agreement. FLSA-exempt employees may be called back to work on a furlough day. FLSA-exempt employees are compensated on an hourly basis for all time worked within a furlough affected week. FLSA-exempt employees are required to track their time during a furlough affected week consistent with the practices in their department. Employees are paid in accordance with their collective bargaining agreements for calculation of overtime.

In the case of an employee being called to work on an unpaid furlough day due to emergency situations, the employee may be required to make up the furlough day at a later date.

*Note: This policy may differ for those employees who are members of recognized unions, organizations, or associations.*