



employee relations **BULLETIN**

June 8, 2009

To: All City Employees (excluding Proprietary Departments)

Subject: FREQUENTLY ASKED QUESTIONS CONCERNING THE 2009-10 FURLOUGH PROGRAM

Below is a list of the most frequently asked questions (FAQs) and answers regarding furloughs. As other questions develop, the list will be updated, as appropriate. Many of the details of furlough scheduling will be worked out within departments at the organizational level. Specific information will be provided to employees by each department.

1. Why is it necessary to have unpaid furlough days in 2009-10?

The 2009-10 City budget includes a “Shared Responsibility and Sacrifice” (SRS) line item which equates to a \$320 million reduction in the General Fund. The unpaid furlough days are necessary to help mitigate this budgetary reduction and preserve additional jobs.

2. How many furlough days will be scheduled?

26 days

3. When will the furloughs be scheduled?

Most departments will be closed on the 2nd and 4th Friday of each month for a total of 24 days. Two additional days will be scheduled by department management during Pay Period 10 (10/25/09 to 11/7/09), and Pay Period 23 (4/25/10 to 5/8/10). A schedule of the Council-designated furlough days is attached.

For specific operations that cannot be closed on those days, departments will schedule alternative furlough days for the affected employees.

4. Can an employee pick different furlough days than those designated?

No. Unpaid furlough days will be announced to the public. Almost all City buildings will be shut down on those official furlough days. Part of the overall plan is to achieve additional savings by closing facilities. Employees covered by the furlough plan should expect to be furloughed on the days designated by Council or alternative days designated by Department management based on operational need.

5. Who is required to take furlough days?

All full-time civilian employees in Council-controlled departments, and staff of the City Attorney's Office and the Controller's Office.

6. Are employees in grant-funded, special-funded and fee-supported positions in Council-controlled departments required to take furlough days?

Yes.

7. Why aren't half-time employees required to take furlough days?

The Furlough Program is not intended to reduce an employee's health/dental and retirement benefits. Requiring half-time employees to be compensated for less than 40 hours in a pay period would affect the health/dental and retirement benefits of half-time employees.

8. When will the furlough days end?

At present, the scheduled end date is June 30, 2010.

9. How does the furlough plan affect work schedules?

Most employees will be changed to a 5/40 schedule consisting of nine 8-hour days during a two week period and a furlough day on the 2nd and 4th Friday of each month.

Employees currently on a 72-hour work schedule will continue working that schedule. They will not be required to take additional furlough days, but may be required to change their day off to conform with their department's furlough plan.

10. How will the furlough plan affect salaried employees?

FLSA-exempt (salaried) employees will be designated with a 72-hour biweekly work schedule and will be compensated for a maximum of 72 hours in that biweekly period.

11. Will the furlough days affect my salary?

Your salary range will remain the same. However, you will not be compensated for furlough days.

12. By taking 26 unpaid furlough days, how much salary reduction will employees experience?

Twenty-six unpaid furlough days is equivalent to a 10 percent reduction in salary.

13. Can I use vacation, sick leave or compensated time off (CTO) on a furlough day?

No.

14. Some employees already have vacation time scheduled for 2009-10. How will that be addressed?

The 2nd and 4th Fridays, or other designated furlough days, will be uncompensated days. Vacation time will not be subtracted from the vacation balance for furlough days.

15. Will the furlough days affect my health and dental benefits?

No. As long as you are compensated for 40 hours in a payroll period, your health/dental benefits will not be affected.

16. Will the furlough days affect my retirement benefits?

No. The City will continue to deduct the same amount towards retirement as though you were compensated for 80 hours biweekly. By doing this, you will receive full service credit as though you had worked 80 hours in the biweekly period. Additionally, you will be credited for the full salary amount for the year if you decide to retire.

17. Will the furlough days affect my seniority credit?

No.

18. Will the furlough days affect my vacation or sick leave accrual?

No.

19. How do I record furlough hours on my timesheet?

The Controller is developing a new code for mandatory furloughs. There will also be a new code for hours worked on a designated furlough day if required to do so by Management.

20. Can furlough days be used in partial-day increments?

For specialized, unique operations, departments may assign furlough hours in partial-day increments.

21. How do furlough days affect leave under the City's Family and Medical Leave Benefit (FMLA and CFRA)?

The amount of available FMLA will not be affected. Furlough days will not count against an employee's annual Family/Medical Leave entitlement.

For employees already on Family/Medical Leave extending beyond July 1, 2009, or for pre-approved Family/Medical Leaves commencing after July 1, 2009, department Personnel Directors will provide revised notifications (Form Gen. 192) to such employees to ensure that furlough days are excluded from Family/Medical Leave.

22. Do furlough hours count as "hours worked" for overtime purposes?

No.

23. What if I take a furlough day on Friday and then my department wants me to work 8 hours on Saturday? Isn't that overtime?

No, pursuant to the provisions of the Memoranda of Understanding and the Administrative Code, overtime for hourly employees will continue to be paid after 40 hours of compensated time in a workweek.

If, in the example above, you work 10 hours on Saturday, you will receive 8 hours of straight time pay and 2 hours of overtime pay.

24. Won't departments be forced to work employees overtime to make up for the furlough days?

Overtime hours will not be assigned except for extreme operational emergencies. Department budgets have been reduced by the amount of the 26 furlough days and will not be augmented for overtime pay to supplement behind the furlough.

25. Some of the designated furlough days fall on City holidays. What will be the designated furlough day when it falls on the same day as a holiday?

The designated furlough day will be the scheduled work day before the holiday.

26. Will employees be paid for the holidays when they are associated with a furlough day?

Employees will be paid for a holiday if they work the scheduled day before and the scheduled day after the holiday.

27. Can employees come to work or telecommute on a furlough day?

No. Employees may not work on a furlough day unless specifically assigned by management due to operational necessity.

28. Are employees eligible for unemployment insurance on furlough days?

Probably not. Most City jobs pay more than the weekly benefit amount.

Eligibility for unemployment compensation is determined by the California Employment Development Department (EDD). Benefits are provided to persons whose total weekly wages are LESS THAN what EDD calculates as the weekly benefit amount. The current maximum unemployment weekly benefit amount is \$450. The wages earned by an employee in a 32-hour week will probably exceed the weekly benefit amount the employee would be eligible for under the State's regulations.

29. Will any voluntary furloughs taken during (2008-09) count towards the 2009-10 mandatory furloughs?

No.

30. Can employees take voluntary furloughs in addition to the mandatory furloughs?

Employees may request to take voluntary furlough days pursuant to their department's voluntary furlough program. However, benefits will be affected if employees are compensated for less than 40 hours in a pay period.

31. How will furloughs affect employees who are contributing to the Deferred Compensation Plan?

Employees' contributions to the Deferred Compensation Plan are a flat dollar amount that employees have determined and will not be reduced due to furlough days. Employees may voluntarily elect to reduce their contributions to the Plan.

32. Are Workers' Compensation/IOD benefits affected by the furlough plan?

Yes, regardless of the employee's date of disability, Workers' Compensation/IOD payments received by an employee on or after July 5, 2009, the first day of Pay Period 2, will reflect a maximum of 72 hours based on the same salary rate that is being used for the employee's Workers' Compensation/IOD payments.

33. Is Military Leave affected by the furlough plan?

Employees on Military Leave will not receive compensation on designated furlough days. Employees on long-term deployment who are receiving military differential pay will not receive this pay on the designated furlough days.

If you have any questions regarding the furlough program, please contact your department's Personnel Director.

TAC:SLH:kh490

2009-10 FURLOUGH PROGRAM

FURLOUGH DAY SCHEDULE

July 10, 2009
July 24, 2009
August 14, 2009
August 28, 2009
September 11, 2009
September 25, 2009
October 9, 2009
October 23, 2009
November 13, 2009
November 25, 2009
December 11, 2009
December 24, 2009
January 8, 2010
January 22, 2010
February 12, 2010
February 26, 2010
March 12, 2010
March 26, 2010
April 9, 2010
April 23, 2010
May 14, 2010
May 28, 2010
June 11, 2010
June 25, 2010

Furlough days will also be taken during Pay Period 10 (10/25/09 to 11/7/09) and Pay Period 23 (4/25/10 to 5/8/10).