

**California Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Furlough Program, Bargaining Units 9 and 13 – Effective July 1, 2012	REFERENCE NUMBER: 2012-029
DATE ISSUED: 07/05/2012	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors**

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To assist in achieving 2012-2013 Budget Savings, California Department of Human Resources (CalHR) has adopted a Furlough Program pursuant to the requirements of Government Code section 19849. The Furlough Program shall be effective on July 1, 2012 for Bargaining Unit 9 and 13 employees.

Employees within these bargaining units will be subject to one furlough day each pay period, and will be allowed to choose which day they take off within the pay period. As discussed below, the Furlough Program will not affect retirement calculations or medical benefits.

All State agencies and departments that have employees subject to the Furlough Program must take all necessary steps to ensure employees take one furlough day off per month within each pay period.

This Furlough Program will continue through June 30, 2013.

Who does this Furlough Program apply to?

Except for the specific exemptions listed below, the Furlough Program applies to all Bargaining Unit 9 and 13 State employees including employees appointed pursuant to Government Code section 21228. This program applies to all State departments regardless of funding source and regardless of whether the department has an item of appropriation in the annual State budget.

Who is not covered by this Furlough Program?

- Employees on a leave of absence without pay for an entire pay period
- Seasonal employees designated CBID E

How does this Furlough Program work?

Employees must take one day off within each pay period.

For the July 2012 pay period, departments are encouraged to meet with their employees as soon as possible, to determine when employees will use their furlough day. If an employee has not scheduled their furlough day by the 20th of this month, their supervisor should meet with them to schedule a furlough day before the end of July. If the employee will not participate in choosing a day, the supervisor should schedule the employee's furlough day on a date, within the pay period, that will minimize the impact on the department's operations.

Going forward, departments should develop a system to ensure that employees take one furlough day within each pay period. For example, for the August 2012 pay period, supervisors should meet with their employees by the end of July 2012 to schedule the furlough day for the August 2012 pay period.

When a department determines that it is not operationally feasible for an employee to take a furlough day in a given pay period, the employee will accrue a furlough credit that will be used in the same manner as vacation or annual leave.

To the extent that employees accrue furlough credits, those credits must be used before vacation days, annual leave, personal holidays, holiday credits, personal leave program credits, or compensating time off. With regard to sick leave, each employee and his or her supervisor must approve the use of furlough in lieu of using sick leave.

Departments must monitor and ensure that any accrued furlough credits are exhausted prior to termination, layoff, separation from State service (such as retirement) or instances such as rejection on probation or dismissal.

In situations where an employee's separation date is scheduled in advance, such as layoff or retirement, departments must require employees to use all unused furlough credits prior to separation. Whenever feasible, an employee's separation date should be extended to ensure furlough hours are exhausted prior to separation.

On rare occasions, when an employee separates from State service and has accumulated unused furlough credits that cannot be used prior to the separation, the employee's unused furlough credits must be paid at the time of the employee's separation.

Furlough Hours Per Pay Period

Full-Time Employees

Full-time employees will be furloughed one day (8 hours).

Part-Time Employees

Part-time employees will be furloughed based on their time base as follows, regardless of how many hours they work in a month.

Time Base	Furlough in Hours
1/10	1
1/8	1
1/5	2
1/4	2
3/10	3
3/8	3
2/5	4
1/2	4
3/5	5
5/8	5
7/10	6
3/4	6
4/5	7
7/8	7
9/10	8

Intermittent Employees

Intermittent employees will be furloughed based on the number of hours they work in a month, shown in the following chart:

Hours Worked During Pay Period	Furlough in Hours
0 to 10.9	0
11 to 30.9	1
31 to 50.9	2
51 to 70.9	3
71 to 90.9	4
91 to 110.9	5
111 to 130.9	6
131 to 150.9	7
151 or over	8

An intermittent employee's schedule needs to be determined in advance of the month. Furlough hours should be credited prior to holiday hours so that holiday hours are not negatively affected.

The furlough administrative processes and procedures for intermittent employees that were in place for the prior Furlough Programs will be the same for this new Furlough Program. PML 2009-013 contains an example of how furlough is processed for a permanent intermittent employee.

What Is Not Affected?

The Furlough Program does not affect:

- State service credit
- leave accruals
- medical benefits
- dental benefits
- lump sum payments
- retirement benefits
- military leave compensation or supplemental pay
- disability leave payments for employees receiving Temporary Disability, Industrial Disability Leave, Non-Industrial Disability Leave, LC4800 time, SDI, or Involuntary Leave and supplemental payments. However, when an employee returns to partial work, the hours they work will be affected.

Salaries will be adjusted to reflect one non-work day. The adjustment applies only to the employee's base salary. The adjustment doesn't affect:

- hiring above minimum adjustments
- red circle rate adjustments
- flat dollar or percentage-based pay differentials
- overtime rates or holiday pay – these are based on the unadjusted base salary

Overtime

Departments must manage furlough days so they do not incur overtime pay or contract for services to cover for employees who are taking furlough days.

Departments must manage employees who are exempt from FLSA (Workweek Group E) to avoid overtime pay. On weeks FLSA exempt employees have a furlough day, they lose their exempt status and become hourly employees.

Furlough days don't count as time worked for determining overtime in the workweek.

Overtime is earned after 40 hours of work in a work week.

Voluntary Personal Leave Program (VPLP)

Employees in the VPLP can cancel participation in that program during the month of July 2012, even if they haven't met the 12 month minimum.

Personnel Office staff with questions regarding this new Furlough Program may contact the Personnel Services Branch at the phone number or email address listed above.

/s/Julie Chapman

Julie Chapman
Acting Director