



Frequently Asked Questions FY 2009 Employee Furlough Plan

University of Maryland, College Park

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- 1. What exactly is a furlough?** A furlough is the placement of an employee in a temporary, non-duty, non-pay status for budget-related reasons. A furlough may be taken on an employee's regularly scheduled workday in full or half day increments.
- 2. Who is eligible for furlough at the University?** University employees earning a full-time annualized salary of \$30,000 or more, including Contingent-II and employees physically located "off-campus," *independent of salary source and percent of employment*, will be furloughed for at least one day. Currently, the university has 6,976 faculty and staff that will have at least one unpaid furlough day.
- 3. How did the University compute the number of furlough days I am responsible for taking?** The University developed a tiered plan based on *gross* full-time equivalent annualized salaries (base salary plus salary additions such as overloads or administrative increments) on December 21, 2008. The furlough days are as follows:

Gross Annual Salary as of 12/21/2008	Number of Furlough Days
\$0-\$29,999	0
\$30,000 to \$49,999	1
\$50,000 to \$64,999	2
\$65,000 to \$79,999	3
\$80,000 to \$89,999	4
\$90,000 and above	5

- 4. Who is excluded from the campus furlough plan?** Full-time employees whose annualized salary is less than \$30,000 per year, hourly employees, graduate assistants, employees paid by the course and employees on H-1B visas are all excluded from having a furlough day(s). Additionally, any appointments that are "non-standard pay" in the PHR system are not included in gross pay calculations.

5. **What is meant by “employees paid by the course?** The focus was on individuals employed under the UMCP Agreement for Appointment to Non-Tenured Faculty Position for INSTRUCTIONAL Services. The intent was to exclude persons earning small amounts of money as “casual” or part-time, intermittent employees (e.g., lecturers contracted to teach a single course a semester).

Faculty employed under these agreements shall be exempted from furloughs only if the total stated compensation in their Agreement is \$29,999 or less, regardless of its term. The number of furlough days for faculty members making \$30,000 or more shall be determined in accordance with the schedule in the Furlough Plan and based on the total stated compensation in their Agreement, regardless of its term.

6. **Will the University close for one or more days to observe the furloughs?** No, the University will remain open and employees will schedule their furlough day(s) with their supervisor during the designated period. This is similar to scheduling annual leave, and ensures minimal disruption to the University, particularly with respect to delivering student services.

7. **How does the University calculate the number of furlough days a part-time employee is responsible for?** The employee’s total salary is converted to a full-time equivalent salary to determine the gross number of furlough days; the salary is then prorated against the employee’s FTE to determine the actual number of furlough days required.

For example, a 50%-time employee who earns a total salary of \$50,000 would have their salary converted to full-time status (total salary/total FTE= Full-time equivalent salary) or (\$50,000/.50=\$100,000). On that basis the employee would be eligible for five furlough days. However, this employee is 50% time, so the final step in the computation is to prorate the gross furlough days against the employee’s actual FTE (gross furlough days x total FTE=actual furlough days) or (5 x .50=2.5 days or 20 hours).

8. **Do I have to take furlough days in whole day increments?** No, employees have the option of taking their furlough day(s) in full day or half day increments based on their FTE.

9. **How do I record/take my furlough days?**

For staff employees, the supervisor must record “Furlough,UNPD” leave on the employee’s PHR time record. Once the "Furlough, UNPD" leave is recorded, the deduction from pay will occur in the following pay period.

For faculty, the department's PHR creator must be notified by the supervisor when approving furlough days for a faculty member so that a PHR Pay Adjustment is created to reduce the faculty member's pay as a result of a furlough day(s) taken for the pay period.

10. If I use a furlough day on the day before a holiday, will I still earn the holiday? Yes. For example, if December 24th is used as a furlough day, the employee will still earn December 25th as a holiday.

11. May I take a furlough day on a holiday that is earned and observed on the same day (i.e Martin Luther King Day, January 19, 2009)? No, you may not use a furlough day on a holiday that is earned and observed on the same day.

12. May I take a furlough day on a holiday that is earned, but observed on another day (i.e President's Day, February 16, 2009)? Yes, you may take an unpaid furlough day on President's Day and the holiday will be available to use during Winter Break 2009.

13. Will the unpaid furlough day(s) have an effect on my benefits and leave earnings? No.

14. May I take all furlough days in one pay period? Yes.

15. Will I still be responsible for my benefits and other deductions such as the credit union? Employees are still responsible for credit union and other deductions at the full regular rate.

16. May I substitute a day of annual leave or personal leave for my furlough day? No.

17. If I take a furlough day prior to January 1, 2009, will it apply to this calendar year's W-2? No. The paycheck reflecting the furlough deduction(s) will be received after the first of the year, and therefore, those earnings will be recorded in the 2009 tax year.

18. I was hired after December 21, 2008. Am I required to take furlough days? Any employee with an appointment start date after December 21, 2008, and before March 15, 2009, will be required to take a furlough day(s) in accordance with the tiered furlough plan and utilizing their gross salary on the date of hire (i.e., annual base salary plus any salary additions). When negotiating an offer with a new employee, notify the new employee of the University's furlough plan. An offer letter should include the number of days the employee will be furloughed.

- 19. If I qualify for a furlough day(s) and I have not taken any furlough days and will be terminating employment prior to March 15, 2009, will I be required to take furlough days?** No.
- 20. What if my salary changes prior to the end of fiscal year 2009? Do my furlough days increase or decrease based on my new salary?** No. The number of furlough days is based on the total annualized salary (plus salary additions) as of December 21, 2008. However, the actual salary deduction for a furlough day(s) will be based on the employee's total salary at the time the furlough day or half-day is taken.
- 21. I am currently using paid leave. How will the furlough plan impact me?**
An employee on paid leave such as sick, advanced sick, extended sick, leave reserve fund, or paid FMLA shall be responsible for taking their unpaid furlough day(s) between December 21, 2008 and June 2, 2009 (the last day that a furlough day may be recorded). Employees who have not scheduled their furlough day(s) with their supervisor by March 15, 2009 will have the furlough day(s) assigned for them.
- 22. What if I am using unpaid leave such as LWOP or FMLA-unpaid?**
If the unpaid leave is scheduled to end prior to June 2, 2009, the employee will be responsible for taking furlough leave day(s) upon his or her return to paid status.
- 23. If I am using faculty sabbatical leave, do I have to take furlough days?**
The number of furlough days to be taken is based on your total FTE and total annualized salary as of December 21, 2008. The furlough pay deduction will be based on the portion of the sabbatical that is paid at the time the furlough is taken.
- 24. In my unit, we sign up for specific periods of overtime in advance. Can I take furlough days during the week that I work overtime?** No, you are not permitted to take furlough days during any week when you are scheduled to work overtime.
- 25. What if my salary is funded by a contract or grant?** The University is committed to a plan that ensures fairness. Therefore, employees supported by contracts and grants will also be furloughed in accordance with the University's tiered furlough plan. Only the State portion of the salary savings will be returned to the State.
- 26. If I have applied for an H1 visa but have not yet been approved, am I exempt from furloughs?** No, only employees on an H1B visa are exempt.
- 27. For Contingent II staff and Faculty Contractual employees – were my health and retirement subsidies included in calculating my gross annualized salary?** Yes. All salary additions were added in computing a gross annualized amount.

28. What will happen if I fail to make a request to take my required number of furlough days? All furlough days must be requested and approved by a supervisor no later than March 1, 2009. Employees who do not make arrangements for furlough days will be assigned their designated number of furlough days at the rate of at least one day per pay period, beginning March 15, 2009.

29. Can I receive unemployment benefits to cover the loss of compensation due to the furlough? The university does not anticipate (based on state and federal unemployment guidelines) that any employee will be eligible to receive unemployment benefits to cover the loss of compensation as a result of the furlough.

30. Do I have grievance rights regarding the furlough? The placement of an employee on a furlough does not give rise to any grievance or appeal rights.

31. I am a staff member. How do I determine the number of hours/mins to record on my PHR time record? Your department's PHR Coordinator will be provided a detailed report which will identify all employees and the specific furlough days to be taken and amounts to be recorded on your time record. However, provided is the university's furlough calculation as follows:

1. Calculate **total** annualized salary as of 12/21/2008 = (total annual salary/total FTE)
2. Determine **# of Furlough days** based on your **total** annualized salary (as of 12/21/2008) & the University's tiered furlough plan
3. Determine **total # of furlough hours** to record on time record(s) (furlough days x 8hrs) x (current total FTE) = **total furlough hours**

Example 1, a staff employee has a total FTE of 100% and makes \$60,000.

1. Total Annualized Salary = \$60,000/1.00 = \$60,000
2. # of Furlough Days = 2 days (from tiered furlough plan)
3. Total Number of Furlough Hours = 2 days (16 hrs) x 100% = 16 hrs

Example 2, a staff employee has a Total FTE of 88% and makes \$28,000.

1. Total Annualized Full-Time Equivalent Salary = \$28,000/.88 = \$31,818.18
2. # of Furlough Days = 1 day (from tiered furlough plan)
3. Total Number of Furlough Hours = 1 days (8 hrs) x .88 = 7.04 hrs or 7 hours & 2 minutes

32. I am faculty, how is my pay adjustment calculation computed? Your department's PHR Coordinator will be provided a detailed report which will identify all employees and the specific furlough days to be taken and amounts to be deducted from pay. However, provided is the university's furlough calculation as follows:

1. Calculate **total** annualized salary as of 12/21/2008 – (total annual salary/total FTE)
2. Determine **# of Furlough days** based on your **total** annualized salary (as of 12/21/2008) & the University's tiered furlough plan
3. Determine **total # of furlough hours** to record on time record(s) - (furlough days x 8hrs) x (current total FTE) = **total furlough hours**
4. Determine **Appt Furlough Hours** - Total Furlough Hours x (Appt FTE/Total FTE)
5. Compute **Pay Adjustment Amount by Appt** - Appt Furlough Hours x Appt. Hourly Rate (For Academic appts. paid over 26 pays, the hourly rate must be converted to an academic year hourly rate)

Example 1, a faculty member has one appt at 100% with a total annualized salary of \$50,000 & hourly rate of \$28.40

1. Total Annualized Salary = $\$50,000/1.00 = \$50,000$
2. # of Furlough days = 2 days (from tiered furlough plan)
3. Total # of Furlough Hours = 2 days (16 hrs) x 1.00 = 16 hrs
4. Total Appt Furlough Hours = 16 hrs x (1.00/1.00) = 16 hrs
5. Pay Adjustment Amount for Appt = 16 hours x \$28.40 = \$454.40

Example 2, a faculty member has two appts with a total annualized salary of \$90,000 and Total FTE of 100% – Appt #1 has FTE at 40% & salary at \$40,000 (hourly rate \$56.81) and Appt #2 has FTE at 60% and salary at \$50,000 (hourly rate \$47.35)

1. Total Annualized Salary = $(\$90,000/1.00) = \$90,000$
2. # of Furlough days = 5 days (from tiered furlough plan)
3. Total Actual # of Furlough Hours = 5 days (40 hrs) x 1.00 = 40 hrs
4. Total Appt #1 Furlough Hours = 40 hrs x (.40/1.00) = 16 hrs
Total Appt #2 Furlough Hours = 40 hrs x (.60/1.00) = 24 hrs.
5. Pay Adjustment Amount for Appt #1 = 16 hours x \$56.81 = \$908.96
Pay Adjustment Amount for Appt2 = 24 hours x \$47.35 = \$1,136.40

33. I am paid by an overload, how is the overload pay adjustment calculation computed? Your department's PHR Coordinator will be provided a detailed report which will identify all employees and the specific furlough days to be taken and amounts to be deducted from pay. However, provided is the university's furlough calculation as follows:

1. Calculate **total** annualized salary as of 12/21/2008 – (total annual salary/total FTE)
2. Determine **# of Furlough days** based on your **total** annualized salary (as of 12/21/2008) & the University's tiered furlough plan
3. Determine **Overload Daily Rate** – Appt Total Biweekly/10
4. Compute **Overload Pay Adjustment Amount** – Overload Daily Rate x number of furlough days

Example 1, an employee has an overload appt with a \$300 biweekly salary. They also have a 100% regular appt. Their Total Annualized Salary is 50,000 (which includes their regular appt salary and total overload amount)

1. Total Annualized Salary = $(\$50,000/1.00) = \$50,000$
2. # of Furlough days = 2 days (from tiered furlough plan)
3. Overload Daily Rate = $\$300/10 = \30
4. Overload Pay Adjustment Amount for Appt = $\$30 \times 2 \text{ days} = \60