

HUMAN RESOURCES MEMORANDUM 20-021	DATE ISSUED: 07/27/2020
SUBJECT: FURLOUGH PROGRAM 2020	REFERENCE: CalHR 1711
TO: Bargaining Unit 9, 12, 13, and 19 Rank-and-File Employees	SUPERCEDES: None

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose

The purpose of this memorandum is to provide information on the implementation of a mandatory Furlough Program 2020 for Bargaining Units (BU) 9, 12, 13, and 19.

Immediately upon full ratification of an agreement that provides Personal Leave Program 2020 (PLP 2020) leave, any accrued Furlough 2020 hours shall be administered in the same manner as the PLP 2020 provisions of the applicable MOU and employees shall not be directed when to use Furlough 2020 hours.

BU 9, 12, and 19 have fully ratified agreements that provide for PLP 2020 effective July 31, 2020. As such, the provisions of PLP 2020 apply to the July pay period only, as described below.

BU 13 is pending a ratified agreement that will provide for PLP 2020 effective August 1, 2020, and full ratification. As such, the provision of PLP 2020 apply described below.

Employees not Subject to the Furlough Program 2020

The following employees are not subject to the Furlough Program 2020:

- Retired Annuitants appointed under Government Code sections 19144, 21154, 21223, 21224, 21225 and 21227.
- CBID E-Designated Classes.
- Seasonal and temporary employees.

Professional Engineers in California Government (PECG) – BU 9

Effective July 1, 2020 rank-and-file employees in BU 9 shall be subject to Furlough 2020 for the July 2020 pay period in the manner outlined below:

- Effective July 31, 2020, employees will move to the PLP 2020.
- Each full-time employee shall continue to work their assigned work schedule and shall have a 9.23 percent reduction in pay in exchange for 16 hours of Furlough 2020 leave credits.
- Each part-time employee shall be subject to the same conditions as full-time employees, on a prorated basis equivalent with their time base.
- Each intermittent employees Furlough 2020 credit shall be prorated based on the number of hours worked in the monthly pay period.

The following provisions will apply:

- Employees will be given discretion to use Furlough 2020 subject to the following operational considerations:
 - Furlough 2020 time must be used before any other leave with the exception of sick leave.
 - Employees may elect to use Furlough 2020 in lieu of approved sick leave.
 - Furlough 2020 shall be requested and used by the employee in the same manner as vacation/annual leave.
 - Requests for use of Furlough 2020 leave must be submitted in accordance with departmental policies on vacation/annual leave.
- All leave earned under Furlough 2020 should be used prior to voluntary separation. Appointing powers may schedule employees to take PLP 2020 time off to meet the intent of the Side Letter agreement. If an employee is unable to use this leave prior to their separation and the separation date cannot be extended, Furlough 2020 shall be cashed out.
- Furlough 2020 leave shall not be considered as “time worked” for the purposes of determining the number of hours worked in a work week.
- Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers’ Compensation for the entire monthly pay period shall be excluded from Furlough 2020 for that month.

International Union of Operating Engineers (IUOE) – BU 12

Effective July 1, 2020 rank-and-file employees in BU 12 shall be subject to Furlough 2020 for the July 2020 pay period in the manner outlined below:

- Effective July 31, 2020, employees will move to the PLP 2020.
- Each full-time employee shall continue to work their assigned work schedule and shall have a 9.23 percent reduction in pay in exchange for 16 hours of Furlough 2020 leave credits.
- Each part-time employee shall be subject to the same conditions as full-time employees, on a prorated basis equivalent with their time base.
- Each intermittent employees Furlough 2020 credit shall be prorated based on the number of hours worked in the monthly pay period.

The following provisions will apply:

- Employees will be given discretion to use Furlough 2020 subject to the following operational considerations:
 - Furlough 2020 time must be used before any other leave with the exception of sick leave and Professional Development Days.
 - Employees may elect to use Furlough 2020 in lieu of approved sick leave.
 - Furlough 2020 must be requested and used by the employee in the same manner as vacation/annual leave.
 - Requests for use of Furlough 2020 leave must be submitted in accordance with departmental policies on vacation/annual leave.
- Furlough 2020 accruals do not expire.
- Furlough 2020 leave shall not be considered as “time worked”, except when an employee is mandated to work overtime, for the purposes of determining the number of hours worked in a work week.

- Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from Furlough 2020 for that month.

International Union of Operating Engineers (IUOE) - Bargaining Unit 13

Effective July 1, 2020, rank-and-file employees in BU 13 shall be subject to Furlough 2020 in the manner outlined below:

- Each full-time employee shall continue to work their assigned work schedule and shall have a 9.23 percent reduction in pay in exchange for 16 hours of Furlough 2020 leave credits.
- Each part-time employee shall be subject to the same conditions as full-time employees, on a prorated basis equivalent with their time base.
- Each intermittent employees Furlough 2020 credit shall be prorated based on the number of hours worked in the monthly pay period.

The following provisions will apply:

- Furlough 2020 shall have no cash value and may not be cashed out prior to separation, except as permitted in very limited circumstances (e.g., non-voluntary separation).
- Employees will be given discretion to use Furlough 2020 subject to the following operational considerations:
 - Furlough 2020 time must be used before any other leave with the exception of sick leave and Professional Development Days.
 - Employees may elect to use Furlough 2020 in lieu of approved sick leave.
 - Furlough 2020 shall be requested and used by the employee in the same manner as vacation/annual leave.
 - Requests for use of Furlough 2020 leave must be submitted in accordance with departmental policies on vacation/annual leave.
- Furlough 2020 accruals do not expire.
- All leave earned under Furlough 2020 must be used prior to voluntary separation. Appointing powers may schedule employees to take Furlough 2020 time off to meet the intent of the Side Letter agreement. If an employee's separation is not voluntary and the separation date cannot be extended, unused Furlough 2020 shall be cashed out. Employees have until June 30, 2027, to use all leave time earned under Furlough 2020. Any unused Furlough 2020 time shall be void after June 30, 2027.
- Furlough 2020 leave shall not be considered as "time worked" except when an employee is "mandated" to work overtime, for the purposes of determining the number of hours worked in a work week.
- Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from Furlough 2020 for that month.

American Federation of State, County, and Municipal Employees (AFSCME) – BU 19

Effective July 1, 2020 rank-and-file employees in BU 19 shall be subject to Furlough 2020 for the July 2020 pay period in the manner outlined below:

- Effective July 31, 2020, employees will move to the PLP 2020.
- Each full-time employee shall continue to work their assigned work schedule and shall have a 9.23 percent reduction in pay in exchange for 16 hours of Furlough 2020 leave credits.

- Each part-time employee shall be subject to the same conditions as full-time employees, on a prorated basis equivalent with their time base.
- Each intermittent employees Furlough 2020 credit shall be prorated based on the number of hours worked in the monthly pay period.

The following provisions will apply:

- Furlough 2020 shall have no cash value and may not be cashed out prior to separation, except as permitted in very limited circumstances (e.g., non-voluntary separation).
- Employees will be given discretion to use Furlough 2020 subject to the following operational considerations:
 - Furlough 2020 time must be used before any other leave with the exception of sick leave and Professional Development Days.
 - Employees may elect to use Furlough 2020 in lieu of approved sick leave.
 - Furlough 2020 must be requested and used by the employee in the same manner as vacation/annual leave.
 - Requests for use of Furlough 2020 leave must be submitted in accordance with departmental policies on vacation/annual leave.
- All leave earned under Furlough 2020 must be used prior to voluntary separation. Appointing powers may schedule employees to take Furlough 2020 time off to meet the intent of the Side Letter agreement. If an employee's separation is not voluntary and the separation date cannot be extended, unused Furlough 2020 shall be cashed out. Employees have until June 30, 2027, to use all leave time earned under Furlough 2020. Any unused Furlough 2020 time shall be void after June 30, 2027.
- Furlough 2020 leave shall not be considered as "time worked" for the purposes of determining the number of hours worked in a work week.
- Employees on SDI, NDI, ENDI, IDL, EIDL, or Workers' Compensation for the entire monthly pay period shall be excluded from Furlough 2020 for that month.

Administration of the Furlough Program 2020

The Furlough Program 2020 shall be administered consistent with the existing payroll system and the policies and practices of the State Controller's Office (SCO). SCO will issue guidance on how to document an employee's pay and process the appointments/separations when an employee works a partial month. For employees appointed other than the first of the pay period, time off for furlough days shall be recorded as a dock. On the first of the pay period following appointment, departments need to document a 350 transaction using the appropriate earnings ID to implement the furlough.

Part-time and intermittent employees shall refer to the [accrual chart](#) to compute the furlough hours.

Additional Information

The Furlough Program does not apply to employees who are:

- On a leave of absence without pay
- Military leave

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, State Disability Insurance, or Involuntary Leave and supplemental payments. However, when an employee returns to partial work, the hours they work will be affected.

The Furlough Program will adjust salaries to reflect the appropriate reduction in salary. The adjustment applies only to the employee's base salary. The adjustment does not 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

Departments will use FH to document furlough hour usage on the employee's timesheet. Departments that utilize the SCO Leave Accounting System will use FH to record usage and manual accruals.

- Employees cannot donate furlough hours or transfer furlough hours to other types of leave credit.
- No employee should be furloughed more than the amount specified for their BU. If an employee holds more than one position, the primary employer may need to adjust the employee's hours to ensure they do not exceed the appropriate number of furlough hours.
- Furlough 2020 leave shall not be considered as "time worked" for overtime purposes except when an employee is mandated to work overtime or has been redirected and is mandated to work overtime to process unemployment claims in the same week in which they use approved leave then that approved leave will be considered hours worked for purposes of calculating overtime.

Employees who work less than their time base (e.g., dock; appointed or separated other than the first day of a pay period), shall have their furlough hours applied on a prorated basis. To determine the prorated credit for a full-time or part-time employee, convert the employee's time worked in the pay period to hours and credit the employee with furlough hours based on the [intermittent chart](#).

Lump-Sum Payments

Lump-sum payments shall be paid based on the employee's unreduced salary without a furlough reduction. Furlough hours accrued prior to the employee's separation date shall count toward lump-sum payments, however during the period of projection an employee shall not accrue any additional furlough hours. In addition, although furlough hours are included in lump sum, they are not included in the projection calculation.

Intermittent and Actual Time Worked (ATW) Qualifying Service

Intermittent and ATW employees shall have furlough hours count toward their 1,500 hours and 189 days as of the time of the salary reduction. When an employee takes furlough time off, those hours shall not count towards their 1,500 hours and 189 days of work.

Voluntary Personal Leave Program (VPLP)

Continuation of the VPLP during the duration of the Furlough 2020 shall be at the discretion of the employee. If the employee elects to discontinue participation in the VPLP, they shall be allowed to opt out at any time during the program.

Unemployment and the Furlough Program

The State of California does not participate in Work Sharing or Partial Programs related to Unemployment Insurance (UI). Departments should return forms received for these UI benefits to their employees and let them know that the State is not participating in either program.

It's possible that there are some seasonal, part-time, or intermittent workers that work limited hours and can qualify for UI benefits based on their limited hours and their weekly earnings. In this case, it is important to complete and return the forms to Employment Development Department (EDD) timely.

Questions regarding the UI forms should be directed to EDD.

Reporting Furlough 2020 in the Project Accounting & Leave (PAL) System

Employees subject to the program shall refer to the chart below for the appropriate alias when documenting Furlough 2020 in PAL. Furlough 2020 can be utilized in 15-minute increments.

Alias Name	Project	Activity	Expenditure	Description
FH	Leave	FH01	STD-Str Time/Day	Furlough

Note: Effective July 31, 2020, employees in BU 9, 12, and 19 will move to PLP 2020. Refer to the [PLP 2020 aliases](#) to document leave. PLP 2020 can be utilized in 15-minute increments.

Questions

If employees have questions not addressed in this memorandum, they are encouraged to contact their supervisor/manager and/or employee representative as appropriate.

AMY APPLGATE, Personnel Officer
Office of Human Resources

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