Furloughs, Voluntary Pay Reduction Program and Hiring Freeze Information

Employee Relations and Human Resources
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How did we get here?

- Current Economic Conditions – FY 2010
  - Total direct State appropriation = $743 Million
  - Portion UI has received to date ~ $90 million

Result?

State of Illinois currently owes UI over $400 Million!
How was this decision made?

- **Human Resources Brainstorming Group**
  - Chaired by Meena Rao, Vice President for Academic Affairs
    - Assistant Vice President, University Human Resources
    - UIUC Associate Provost for Human Resources
    - UIC Associate Chancellor for Human Resources
    - UIS Director of Human Resources
    - Assistant Vice President of Academic Affairs
    - University Legal Counsel

- **Charge**
  - To identify University-wide human resource issues and provide information on the impact of administrative decisions on University employees given the current economic climate.
  - To assist the President and campus administration with implementation of decisions made by the Senior officers of the University.
Expectations

- Impact to students and the instructional mission will be minimal and avoided when at all possible.

- Classes will be held and will not be canceled due to furloughs.

- University business will continue **uninterrupted**.
  - Units should not close operations in order to accommodate furloughs for employees.
Who is INCLUDED in furloughs and the Voluntary Pay Reduction Program?

Academic Employees
• Faculty
• Other Academics (Instructors, Lecturers)
• Academic Professionals
• Visiting Academic Professionals
Who is EXCLUDED from furloughs and VPRP?

1. Employees paid 100% from soft funds (as of 12/15/09)
   • Designated on the NOA as “…payment is contingent upon receipt of funds for the project on which you are assigned.”

2. Employees with an annual salary of $30,000 or less (part-time employees not prorated).

3. Employees who hold either an H1-B or E3 Visa.
EXCLUDED employees continued…

4. Medical and Veterinary Medicine Residents
5. All Graduate Assistants (GA, RA, TA, PGA)
6. Pre- and Post-Doctoral Fellows
7. Hourly Employees (Academic Hourly, Grad Hourly, Students, Extra Help)
8. All Civil Service Employees (including Open Range and Exempt)
Which of MY employees are EXCLUDED?

- ER/HR will send UA unit Director’s a list of:
  
  1. All employees to be furloughed
     - Will include the number of furlough days.
  
  2. All employees excluded from furloughs:
     - < $30,000  
       - seven part-time employees in UA.
     - H1B and E3 Visas  
       - no employees in UA.
     - 100% Soft funded  
       - 31 employees in UA.
FURLOUGHS
What is a mandatory furlough?

- A furlough is a *leave of absence without pay*.
- Affected faculty and academic professional employees must take time off without pay for the period of time designated by the furlough.
- All notices of appointment (NOA) issued August 16, 2009 and thereafter, include language that allows for mandatory furloughs.
- Supervisors may not require, ask or permit employees to work on a furlough day.
How Many Furlough Days?

- **4 Days**
  - Faculty
  - Most Academic Professionals
  - Other Academics

- **10 Days**
  - RAMP Administrators
  - Senior Administrators as designated by the President and Chancellors, such as:
    - Vice Presidents
    - Associate Vice Presidents
    - Others as identified

**Can I volunteer to take more than 4 (or 10) furlough days?**

- No, at this time, University policy only allows for employees to take the designated 4 (or 10) days.
When can I take my furlough days?

**Employees Taking Four (4) Furlough Days**

- **1 Day** Per Academic Month
  - 1 day from 1/16/10 and 2/15/10
  - 1 day from 2/16/10 and 3/15/10
  - 1 day from 3/16/10 and 4/15/10
  - 1 day from 4/16/10 and 5/15/10

**Employees Taking Ten (10) Furlough Days**

- **2 Days** Per Academic Month
  - 2 days from 1/16/10 and 2/15/10
  - 2 days from 2/16/10 and 3/15/10
  - 2 days from 3/16/10 and 4/15/10
  - 2 days from 4/16/10 and 5/15/10
  - 2 days from 5/16/10 and 6/15/10
How do I take my furlough days?

- **Employees must:**
  - Receive supervisor approval for designated furlough day.
  - Take furloughs in full-day increments.
  - Track furloughs taken and hours worked for furlough weeks on provided paper timesheet.

- **Employees cannot:**
  - Take a furlough day before 1/16/2010.
  - Take more than one furlough day per Academic month (unless you are required to take 10 furlough days, then you take two per month).
  - Do University work *of any kind* on a furlough day.
  - Work additional hours during a furlough week to make up for the furlough day (e.g., more than 32 hours for full time employees taking one furlough day that week).
Why can’t I work on my furlough day?

- **Fair Labor Standards Act**
  - Academic Professional employees become “non-exempt” during a week when a furlough is taken.
    - Must track all hours worked and all hours taken as furlough.
    - If an employee would work on a furlough day, we would be required to pay them.
    - Employees are eligible for overtime in a furlough week.

What if I end up having to work on my furlough day?

- Must take a furlough on a different day that week or during that Academic month.
What if I am on a leave of absence?

- **Family and Medical Leave**
  - If in pay status (vacation, sick, floating holiday), will be expected to also take a furlough day and pay will be reduced.
  - If on unpaid FMLA (full-day), will not be expected to take a furlough day that Academic month.

- **Military Leave**
  - If not being paid by the University, will not be expected to take a furlough day that Academic month.
  - If being paid by the University, will be expected to also take a furlough day and pay will be reduced.

- **Other unpaid leave of absence**
  - If on an approved unpaid leave of absence, will not be expected to also take a furlough day that Academic month.
How do I track my furlough days?

- Paper timesheet (PDF)
  - Track number of hours worked per day and number of furlough hours for *furlough week only*.
  - Employee and supervisor required to sign timesheet.
  - Supervisor forward signed time sheet to ER/HR.
    - Official copy retained in ER/HR employee file.
  - If hours in a furlough week exceed the appropriate number (e.g., more than 32 hours for full time employees taking one furlough day that week) on the timesheet, ER/HR will process pay adjustment, if appropriate.

- AVSL System
  - Will not be used at this time to track furlough days in UA.
  - May include a furlough code at a later time; will not take the place of the paper time sheet.
Sample Completed Timesheet

**University of Illinois**

**ACADEMIC FURLough TIME SHEET**

**Employee Name:** Jane Doe  
**Title:** Director  
**Department:** My Department  
**Supervisor:** Snow White

<table>
<thead>
<tr>
<th>Date</th>
<th>Work Hours</th>
<th>Furlough Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunday</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Monday</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Tuesday</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Wednesday</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Thursday</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Friday</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Saturday</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**TOTALS:** 32  
**Furlough Days:** 8

Employees are prohibited from working and/or providing services on a furlough day and from working additional hours during a furlough week to make up for the furlough.

I certify that the hours reflected above are true and accurate based on the hours I have worked this work week.

**Employee Signature:** Jane Doe  
**Date:** 2/1/10

**Departmental Use Only**

**Departmental Use:** Snow White  
**Signature/Date:** 2/1/10

**Follow-Up Needed:** Yes  
**Signature:**
Voluntary Pay Reduction Program
What is the Voluntary Pay Reduction Program?

- Alternative to furlough days for eligible employees.
  - *Voluntary* pay reduction equal to one day of pay for four consecutive Academic months (February, March, April, May) *in lieu of* taking furlough days.
  - Employees subject to 10 furlough days would have pay reduced equal to two days of pay for five months.
  - Employee continues to work regular schedule.
  - Employee does **not** track hours worked and maintains Exempt status.

When do I need to decide if I want to take this option?

- You must complete an authorization form in NESSIE between January 26 and February 8, 2010.
Do I have a choice?

- It is entirely up to the employee which option he/she selects.

- Managers cannot force or coerce employees into taking the voluntary pay reduction plan option.

- The decision, once made, is *irrevocable* and must apply to each Academic month under the program.

What if I already took a furlough day and now want to select the voluntary pay reduction option?

- You may select this option for the remaining three months (four months for 10-day employees) and will be required to apply vacation leave or floating holidays to the furlough day taken.
Will this permanently affect my pay?

As with furloughs, a voluntary pay reduction:

- Does NOT affect the salary amount on your notice of appointment.
- Will NOT be a factor in determining your 2010 – 2011 Academic Year Salary.
Characteristics of Both Plans

Furloughs
and
Voluntary Pay Reduction Program
## Comparison Chart

### Mandatory Furlough Program / Voluntary Pay Reduction Program Comparison Chart

<table>
<thead>
<tr>
<th>Eligible Employees</th>
<th>Mandatory Furlough Program</th>
<th>Voluntary Pay Reduction Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The following faculty and academic professional employees are subject to the mandatory furlough program:</td>
<td>The same faculty and academic professional employees who are subject to the mandatory furlough program are eligible for the voluntary pay reduction program:</td>
</tr>
<tr>
<td></td>
<td>• “Executive Group” which includes:</td>
<td>• “Executive Group” which includes:</td>
</tr>
<tr>
<td></td>
<td>• President</td>
<td>• President</td>
</tr>
<tr>
<td></td>
<td>• Chancellors</td>
<td>• Chancellors</td>
</tr>
<tr>
<td></td>
<td>• Deans</td>
<td>• Deans</td>
</tr>
<tr>
<td></td>
<td>• Resource Allocation Management Program (“RAMP”) administrators</td>
<td>• Resource Allocation Management Program (“RAMP”) administrators</td>
</tr>
<tr>
<td></td>
<td>• Certain senior administrators identified by the President</td>
<td>• Certain senior administrators identified by the President</td>
</tr>
<tr>
<td></td>
<td>• Faculty and academic professional employees.</td>
<td>• Faculty and academic professional employees.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excluded Employees</th>
<th>Employees currently excluded from the mandatory furlough program include:</th>
<th>Employees currently excluded from the mandatory furlough program will be exempt from the voluntary pay reduction program and include:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Civil Service employees (including Open Range and exempt employees)</td>
<td>• Civil Service employees (including Open Range and exempt employees)</td>
</tr>
<tr>
<td></td>
<td>• Faculty and academic professional employees whose total annual base salary is $30,000 or less (part-time employees are not prorated) as set forth in their NOAs as of December 15, 2009</td>
<td>• Faculty and academic professional employees whose total annual base salary is $30,000 or less (part-time employees are not prorated) as set forth in their NOAs as of December 15, 2009</td>
</tr>
<tr>
<td></td>
<td>• Faculty and academic professional employees employed on December 15, 2009 in a position that was 100 percent funded by</td>
<td>• Faculty and academic professional employees employed on December 15, 2009 in a position that was 100 percent funded by</td>
</tr>
</tbody>
</table>
When will my pay be affected?

- One day of pay will be reduced on each of the following paychecks:
  - February 16, 2010
  - March 16, 2010
  - April 16, 2010
  - May 16, 2010

- Employees furloughed (or voluntary pay reduction) 10 days will have 2 days of pay reduced for each of the paychecks above, in addition to the June 16, 2010 paycheck.
How much will my pay be reduced?

Simple formula for determining one-day of pay =

\[
\frac{\text{Annual Salary} \times \text{Months of Service}}{\text{Hours Per Month}} = \text{Hourly Rate}
\]

\[
\text{Hourly Rate} \times \text{Hours per day (8 for full-time)} = \text{Daily Rate of Furlough Gross Pay Reduction}
\]

Hours per month = 173.33 for 100% appointment

Part-time hours per month = 173.33 FTE

**EXAMPLE:** Full-time 12-month AP with $50,000 annual salary.

Hourly Rate: \((\$50,000 \times 12) \div 173.33 = \$24.04\)

Daily Rate: \$24.04 \times 8 = \$192.32
How will my benefits be affected?

- State and Optional University benefits continue.
- Vacation and sick leave benefits accrue at same rate.
- SURS contributions based on percent of pay.
  - Contact SURS to determine the impact on retirement if you are within 4-years from retirement.
- Furloughs and voluntary pay reductions will not affect accrued leave benefit (vacation and compensable sick) policies related to termination payouts.
What if I resign or retire?

- A separation agreement will be available for employees to sign.
  - Must be signed by 1/29/10.
  - Last day of work must be on or before 8/15/10.
  - Employee will be excluded from taking furlough days or a voluntary pay reduction.

- Form will be available on the Furlough webpage.

- Agreements should be forwarded to ER/HR once signed by the employee and the unit.
What about FY 2011?

- Furloughs and Voluntary Pay Reduction Plan
  - Current implementation for FY 2010 only
  - Unknown for FY 2011

- Budget
  - Unknown for FY 2011
Hiring Freeze
Hiring Freeze

- **State Funded Positions**
  - Indefinite moratorium on filling all vacancies and all promotions (Academic Professional, Civil Service, Graduate Assistantships).

- **Soft/Grant Funded Positions**
  - May proceed with searches and filling vacancies.

- **Hourly Positions (Students, Grad Hourly, Extra Help)**
  - May proceed with hiring – with organizational leadership approval.

- **Retiree Rehires**
  - Must follow guidelines above.
  - Must follow Retiree Rehire approval process.
Hiring Freeze

- **Outstanding/Pending Searches and Promotions**
  - If EEO approval and offer accepted, may proceed.
  - If no offer, Jami Painter will notify you to let you know if you can proceed per Walter Knorr’s approval.

- **New Vacancies and Promotions**
  - Must follow existing Hiring and Promotion Exception process.
  - Must *absolutely* be mission critical.
Civil Service Layoffs

- UA Employees at UIUC and UIS
  - Currently, looking at options for CS employees.
  - Units should contact ER/HR if need to eliminate a CS position.
  - Normal Civil Service layoff provisions and procedures apply.

- UA Employees at UIC
  - Coordinated campus-wide layoff planned for February/March 2010.
  - Units affected by bumping will be notified by ER/HR.

- State Universities Civil Service System Statutes
AP Notice of Non-Reappointments

- Three reasons for NNR.
  - Budget
  - Programmatic
  - Performance
- Based on individual unit circumstances.
- Contact ER/HR to initiate NNR process.
Resources

- General Furlough and Voluntary Pay Reduction Program Information
  https://hr.uillinois.edu/PolicyCompliance/PolicyLibrary/HRPolicy/Furlough.cfm

- President’s Website on Furloughs

- Furlough FAQ’s
  https://hr.uillinois.edu/PolicyCompliance/PolicyLibrary/HRPolicy/Furlough.cfm#FAQ

- Monthly Net Pay Calculator 2010 for Furloughs
  http://www.obfs.uillinois.edu/obfshome.cfm?level=1&path=earnings&xmldata=earnings

- Furlough Timesheet


- Notification of Appointment (NOA) https://nessie.uihr.uillinois.edu/cf/noa/login.cfm

- Earnings Statement


- Hiring Exception Forms  (listed under New Hire Forms)
  https://hr.uillinois.edu/HRServices/UAForms/index.cfm
Contacts for Questions

Furlough and Voluntary Pay Reduction Questions
Jami Painter, Director   217-244-8247
Laura Curtis, Associate Director   217-333-1138
Maureen Parks, Assistant Vice President  217-333-2590

Hiring Freeze Questions
Jami Painter, Director   217-244-8247
Angela Foster, Assistant Director   217-333-7671
Additional Questions?