



Administrative Policy
FURLOUGH POLICY
Personnel – A302

Effective Date:

January 7, 2009

Revised Date:

FURLOUGH

Summary

On January 7, 2009 the Mayor and Council passed a motion to allow furloughs to go into effect immediately through June 30, 2010. 12 furlough days will be established. Furlough leave days are necessary in order to address revenue shortfalls and avoid lay offs in the remaining portion of Fiscal Year 2010. Formerly paid holidays will be used as furlough days, whenever possible, to decrease the negative effect on services that the furlough days may cause. Other furlough days will be chosen by the employee and department head.

Process

I. Employees Required to Take Unpaid Furlough Leave

- A. Employees Covered. All employees in probationary or permanent positions will be required to take 12 days of unpaid furlough leave during the pay periods of January 1, 2010 and June 30, 2010. At Council request, in an effort to always have someone responsible, the Town Manager will not furlough.
- B. Permanent Part-time Employees. Permanent part-time employees will experience furlough hours on a pro-rated basis dependent upon their schedule. For example – an employee working 20 hours a week would experience 60 hours of furlough before July 1, 2010. (12 10 hour furlough days = 120 hours, 20 hour work week is half of a 40 hour work week. Half of the furlough hours required = 60 furlough hours).

II. Effect of Unpaid Furlough Leave on Leave Accruals, Overtime Calculations and Holiday Pay.

- A. Payroll Code. **FURLO** is the pay code for unpaid leave. The **FURLO** code must be on all timesheets to designate the furlough hours. A leave slip is not required.
- B. Overtime Calculations. **FURLO** hours will not be considered hours worked for purposes of calculating overtime in any workweek. Any additional hours worked during a furlough week will be paid at straight time unless an employee actually works more than 40 hours in the workweek. An employee who actually works more



Administrative Policy
FURLOUGH POLICY
Personnel – A302

Effective Date:

January 7, 2009

Revised Date:

than 40 hours in a workweek shall take an alternate furlough day in the pay period following the furlough work (unless the employee has an alternate day approved as part of a critical operations schedule). Due to the current freeze on overtime pay, the Town only offers compensatory time for non critical operations employees.

- C. Holiday Pay. FURLO hours on the day before or day after a paid holiday will not affect holiday pay. If an employee is in an unpaid status for reasons unrelated to the unpaid furlough leave, the employee will not be paid for that holiday.

Furlough hours taken on a holiday will not be paid hours, however, 10 hours of PTO time will be added to the employee's account for each holiday taken as furlough.

III. Alternate Furlough Schedules. Departments will submit alternate unpaid furlough leave schedules to Human Resources for approval.

- A. Total Unpaid Furlough Leave. Alternate unpaid furlough leave will total 120 hours per employee through June 30, 2010.
- B. Unpaid Furlough Leave of Less than One Shift. Alternate unpaid furlough leave must be scheduled in increments of ½ shift or greater. Example: 10 hours of unpaid furlough leave may be scheduled on two days of 5 FURLO hours each in the same pay period.
- C. Scheduling of Alternate Furlough Leave. As much as possible, department management shall schedule alternate furlough leave to be distributed evenly through June 30, 2010.
- D. Substitution of Alternate Furlough Leave for Scheduled Vacation and/or other Unpaid Leave. Unpaid furlough leave may be substituted for an approved vacation day, thus leaving vacation hours on the books, provided this does not violate other provisions of this policy. Unpaid furlough leave may also be substituted for unpaid medical leave, after an employee on approved Family Medical Leave (FML) or other approved medical leave has exhausted all accrued paid leave (sick leave and vacation leave).



Administrative Policy
FURLOUGH POLICY
Personnel – A302

Effective Date:

January 7, 2009

Revised Date:

- E. Audit of Alternate Furlough Leave. Alternate unpaid furlough leave will be audited to ensure compliance.
- F. On-call and Call-back. Certain operations impacting safety of the Town facilities and streets may designate and authorize specific employees to be on-call for facility or public safety emergencies occurring during furlough days. If called-out, the employee will receive straight-time pay for all time worked, unless the employee actually works more than 40 hours during the week of the furlough day. In those situations, the employee shall be scheduled to take an alternate furlough day to meet the 12 furlough day requirement.

IV. Employees Working Alternate Work Schedules

- A. Employees working a 9/80 Schedules. During pay periods where Town-wide furlough leave days are scheduled, employees on 9/80 schedules should be scheduled to work 10 hour days for each week in the pay period. The alternate work week schedule will not be changed as a result of the implementation of unpaid furlough leave through June 30, 2010.
- B. General Office and Non-critical Operations – 4/10 Schedules. Employees working a 4/10 schedule should only be scheduled to work three (3) workdays during the furlough week.

V. Overtime Exempt Employees – Status and Timekeeping

- A. FLSA Status During Workweek of Unpaid Furlough Leave. Overtime exempt employees will not meet the “salary basis test” under the Fair Labor Standards Act (FLSA). **During the weeks in which a furlough leave day occurs, FLSA exempt employees will be converted to an hourly status.**
- B. Time Worked Records. Currently exempt employees will need to maintain daily timesheets and work no more than 30 hours during the furlough weeks. Timesheets



Administrative Policy
FURLOUGH POLICY
Personnel – A302

Effective Date:

January 7, 2009

Revised Date:

must be signed by the employee, the employee's supervisor and retained with the payroll records.

- C. Application of Rules for Hourly Employees. During the furlough workweeks, all hourly rules and expectations will be applied to FLSA-exempt employees. Such rules include payment of overtime (compensatory time for most employees) and observation of a minimum 30 minute lunch break. **On furlough leave days, FLSA-exempt employees may not come to work, telecommute, answer the phone or emails, or perform services for the Town of Payson unless specifically authorized to do so.**

VI. Furlough Leave – Other Conditions

- A. No Use of Other Paid Leave on Furlough Leave Days. Accrued vacation, sick leave, compensatory time, or personal leave may not be used on a furlough leave day, regardless of the employee's status.
- B. Effect of Furlough Leave on Other Periods of Paid Leave such as Paid Medical Leave or Military Leave. Employees on approved paid leave will not be paid for days of non-work occurring during the approved leave period. In the case of paid FML/medical leave or military supplement leave, the employee will receive 10 **FURLO** hours unpaid leave for the remaining 70 hours of the pay period.
- C. Unemployment Claims. Eligibility for unemployment compensation is determined by the Arizona Department of Employment Security. Employees using one day of unscheduled furlough leave in a pay period will generally not qualify for unemployment.

VII. Questions Regarding Interpretation and Application of Furlough Leave Policy

Employee questions regarding interpretation of the Furlough Leave Administrative Policy should be directed through your department management. Department management should direct their questions to Human Resources.