

County of Santa Cruz

Frequently Asked Questions Regarding Furloughs

(Edition #1 – issued 6/26/09)

1. How many furlough hours need to be taken by employees in full-time regularly scheduled (non-extra-help) positions?

Furlough obligations vary by bargaining unit. Employees in the Corrections Unit will serve 162 or 156 furlough hours (varies based upon 12-hour shift or 8-hour shift schedules) over the course of 27 or 26 pay periods. The following units will serve 156 furlough hours over 26 pay periods: Unrepresented Executive Management (including Elected Officials and County Counsel Attorneys), the District Attorney Inspector Association, the Middle Management Association, the Physicians' Representation Unit and the District Attorney & Child Support Attorney Association. Employees in the General Representation Unit will take 104 furlough hours. Employees in the Law Enforcement, Sheriff's Supervisory and Law Enforcement Middle Management Units will take 50 furlough hours each year during the 2009/2010 and 2010/2011 fiscal years¹.

All employees in the Department of Child Support Services, without regard to bargaining unit, will be exempt from furloughs due to the department's status as a multi-county state-funded agency.

2. Will the number of required furlough hours be pro-rated for part-time employees?

Yes, furlough obligations will be pro-rated for part-time employees based on the scheduled hours of their position (without regard to AVTO or VTO). Part-time employees will not go below an annualized 20 hour per week threshold via furloughs. Employees in positions that are regularly scheduled as half-time in the payroll system are exempt from furloughs.

3. What will the half-time employees who are exempt from furloughs do on scheduled furlough days?

Half-time employees who are exempt from furloughs may, subject to department approval: 1) be included in skeleton crews on furlough days, as arranged with the Personnel Department; 2) take vacation, annual or administrative leave on furlough days; 3) arrange scheduling modifications with their supervisor to work the hours they would normally have worked on a furlough day during other days in that pay period.

¹ The amount of the fiscal year 2009/2010 furlough obligations for the Law Enforcement, Sheriff's Supervisory and Law Enforcement Middle Management Units is lower than the fiscal year 2009/2010 furlough obligations of other units based on the agreed upon salary related concessions for those units.

4. If I'm in a position that is regularly scheduled in the payroll system as ¾ time, but I work some straight-time overtime, will my furlough obligation increase?

No, the furlough obligations are based upon the regularly scheduled hours of the position as listed in the payroll system, which is the level at which funding for the position has been budgeted for the year. Furlough obligations do not change if an employee works overtime, including straight-time overtime. Employees in a position scheduled as half-time in the payroll system that work straight-time overtime will remain exempt from furloughs.

5. Is there an option for having the reduced pay from furlough hours smoothed out over the course of the furlough period?

Yes, employees will have two options: the traditional method of furlough pay reduction (where pay reductions occur only in pay periods in which furlough hours are taken – “Q hours”) and a “smoothing” option, which will allow employees to assume a reduction of pay through “negative earnings” throughout the fiscal year in an amount equivalent to their total obligation for furlough hours, enabling employees to continue to receive pay during furlough time through “QT hours.” Under the “smoothing” option, the reduction in pay throughout the fiscal year will be based upon employees’ scheduled hours and base hourly rate (not including differentials, overtime or other premium pay). Therefore, the accrued smoothing hours (QT hours) that are utilized during furlough periods, will be paid out based upon the base hourly rate. **The default method of pay will be the “smoothing” option. Employees may opt out of smoothing and select the traditional option at the start of the furlough period by submitting a completed opt-out form to Central Personnel by 12 p.m Tuesday July 7, 2009.**

6. Will the “smoothing” option have an effect upon taxable income?

The smoothing option is designed to spread the reduction in pay that an employee would have experienced only during pay periods with furlough hours over the course of the fiscal year via “negative earnings” deductions. The two pay options are designed to produce equivalent earned income under either option over the course of a fiscal year. However, since income taxes are based upon calendar year earnings, spreading the negative earnings evenly over the course of the fiscal year may produce some variation in earned income per calendar year as compared with taking the pay reduction at the time that furlough hours occur. Although this should have a negligible effect upon taxes in most cases, employees may wish to consult a tax professional to discuss their individual circumstances.

7. How will furlough hours be scheduled?

Scheduling of furlough hours varies somewhat by bargaining unit and work location, as follows:

- The Law Enforcement, Sheriff's Supervisory and Law Enforcement Middle Management units will have "modified fixed" furloughs, which will be scheduled on customary training days.
- The "fixed furlough" schedule for General Representation unit employees will include nine Fridays (7/24/09, 8/28/09, 9/25/09, 10/23/09, 1/22/10, 2/26/10, 3/26/10, 4/23/10 & 5/28/10) and the four days between Christmas and New Years Day (12/28/09-12/31/09). Some alternate schedules will be worked out (through discussions with the union) for certain work areas that can't be closed and/or require skeleton crews during those times.
- Unrepresented Executive Management, the Middle Management Unit, the District Attorney and Child Support Attorney Unit and the District Attorney Inspector Unit will serve rolling furloughs, which will be scheduled individually with an effort to conform to building closures (the SEIU scheduled days and/or local court furlough days) when possible.
- Independent schedules have been worked out for employees in the Corrections Unit, who will serve "modified fixed" furloughs.
- Scheduling modifications will be worked out with supervisors for half-time (or other part-time) employees (see Question # 3).
- Scheduling modifications will also be worked out with supervisors for employees who would not normally work on fixed furlough days.
- All employees in the Department of Child Support Services, without regard to bargaining unit, are exempt from furloughs due to the department's status as a multi-county state-funded agency.

8. Can employees who are participating in pay smoothing take "QT hours" before they have been paid for through the negative earnings deductions?

Yes, for employees participating in pay smoothing, QT hours will be advanced to each employee in the amount of their total obligation for the fiscal year. Employees will draw from that "bank" of QT hours throughout the fiscal year. The "negative earnings deductions" are calculated so that employees' deductions over the course of the fiscal year will equal the monetary value of their furlough obligation.

9. What is the impact of furloughs upon uncompensated overtime and compensatory time (955 and 999 time) for managers?

Managers will not have 955 or 999 time during a pay period in which furlough time occurs. If a manager works during a time that furlough hours were scheduled, they will be required to re-schedule the planned furlough hours. Managers should work with their supervisor to avoid planning furlough time during peak workload periods (such as budget preparation) in order to minimize the need to reschedule furlough hours.

10. What is the impact of furloughs upon overtime computation for non-management units?

Furlough time will not be counted as time worked for purposes of overtime except for certain positions in the Department of Public Works that are assigned to the Sanitation and Roads Divisions, as agreed upon with SEIU. The only classifications included are: Public Works Maintenance Worker I-IV, Public Works Supervisor, Sanitation Maintenance Worker I-III, Pump Maintenance Mechanic, Heavy Equipment Mechanic I/II, Supervising Heavy Equipment Mechanic, Public Works Dispatcher, Treatment Plant Operations Supervisor, Senior Treatment Plant Operator, Electrical Instrumentation Supervisor, Electrical Instrumentation Technician I/II and Treatment Plant Operator).

11. Will furloughs affect leave accruals?

Yes, there will be a proportional impact for leave accruals that are based upon hours worked, such as annual, vacation, sick and administrative leave.

12. Will furloughs have an impact upon probation hours, step hours, seniority credits and county service hours?

No, furlough hours will be treated as regular hours worked for the purposes of accumulating probation hours, step hours, seniority credits and county service hours.

13. Will furloughs have an impact upon retirement?

To the extent allowable under CalPERS rules, retirement benefits will not be affected by furloughs. Furlough hours are not reported as PERS service hours. However, CalPERS requires only 1,720 hours for a full year of PERS service credit, while a typical full-time employee completes 2080 hours in a year. Part-time employees will generally accrue fewer PERS service credits during furlough years, depending upon the percent of full time normally worked and the number of furlough hours taken. For employees who intend to retire soon, furloughs may have a minor impact on their “final compensation” calculation (single highest year) if they would normally receive PERS-able special compensation that is paid as a factor of earnings (such as longevity or other pay). For further information, employees may contact CalPERS at (888) 225-7377 or review the [CalPERS Circular Letter \(#200-016-09\)](#) on impacts of furloughs.

14. Will furlough time adjacent to holidays affect the determination of eligibility for holiday pay?

Furlough hours (Q or QT hours) will not be considered unpaid status for the purpose of determining eligibility for holiday pay.

15. For employees on rolling furloughs who take a block of time off as furlough time (i.e. one full pay period or more), will this affect employee and dependant health insurance contributions?

No, employees will only be responsible for their usual employee and dependant health contributions (if applicable). If an employee does not have sufficient pay in a pay period when their health contribution is due to be deducted, the County will follow the current practice and deduct the owed contribution during the next pay period.

16. What if something changes over the course of the furlough period (such as a change in bargaining unit, a change in scheduled hours in the payroll system, a workers' compensation leave, a leave without pay, separation, layoff, etc.)?

Manual re-calculations of furlough obligations and an automatic opt-out of the smoothing option may occur based upon certain employment or pay changes, including but not limited to the following: change of bargaining unit, change in scheduled hours in the payroll system, start of approved workers' compensation leave, start of leave without pay, separation, layoff, etc.

17. Will new employees participate in furloughs?

Yes, the County will calculate the remaining furlough obligation for any new employees hired during the furlough period. The calculation will be based upon the furlough obligation of the bargaining unit, the time remaining in the furlough period and the scheduled hours of the new employee.

18. What steps will be taken to ensure that furlough hours are taken appropriately throughout the year?

County department heads will receive periodic reports detailing the furlough hours taken to date and the remaining furlough obligations for employees in their department. Every employee will be required to serve their furlough obligation.²

19. Who should I contact with questions about these subjects?

If you have further questions, please contact your department's payroll clerk or, at the County Personnel Department: Christa Schleiner (454-2961, christa.schleiner@co.santa-cruz.ca.us) or Mary McAllister (454-2243, mary.mcallister@co.santa-cruz.ca.us).

² Employees in the Department of Child Support Services are exempt from furloughs.