

EMPLOYEE FURLOUGH PROCEDURES

PURPOSE

To establish Furlough procedures as an option for the government of Guam to cut administrative costs and continue to provide vital public service to the people of Guam. In addition, furlough procedures shall be administered and coordinated with procedures for employee layoff, priority placement, outside employment, and leave without pay policy. The Director of Administration may revise, change or add to the following policy and procedure, as appropriate, subject to the review of the Civil Service Commission.

STATEMENT OF POLICY

It is the policy of the government of Guam to resort to employee furlough, when necessary, to avoid layoff of employees and to ensure that the government meets its commitment to the people of Guam in the areas of education, health, safety, and other vital services. This procedure will be used only after all other efforts have been explored by departments and agencies to cut operating costs. Heads of departments and agencies shall submit requests for employee furlough to the Director of Administration for approval.

A. *DEFINITION*

A furlough action is the placement of an employee in a temporary non-duty and non-pay status on a continuous basis (for example 10 consecutive days), or a noncontinuous basis (for example one day a week). A furlough is not a layoff or reduction in force action.

B. *REASONS FOR FURLOUGH*

Furlough is caused by any one of the following reasons:

1. Lack of work.
2. Shortage of funds.
3. Insufficient personnel authorization.

4. Reorganization.
5. Reclassification of an employee's position due to erosion of duties when such action will take effect after a formal announcement of a reduction in force.

C. *TIME LIMIT*

Departments/agencies may furlough an employee for a period of time listed below:

1. One to thirty (1 to 30) consecutive days on a continuous basis, or 22 work days if done on a noncontinuous basis.
2. More than 30 consecutive days, or more than 22 work days to a maximum of one year. The one year limit begins the day after the notice period ends and when the furlough begins.

D. *VOLUNTARY FURLOUGH*

Employees who are interested in taking leave of absence without pay will be encouraged to voluntarily apply for a furlough. This opportunity is especially beneficial to employees who have outside part-time employment. Employees who volunteer for furlough, for a period not to exceed one year, will be allowed to work increased hours at their outside employment without regard to the scheduled hours of work with the government.

E. *INVOLUNTARY FURLOUGH*

Where budget constraints are crucial, the Director may resort to involuntary furloughs after it has been decided that the voluntary furlough will still not meet the necessary cost reduction. Furloughed employees shall be furloughed, based on retention points, for the time limits authorized above. Furlough will be used to the maximum extent possible in order to reduce the necessity for layoffs. Departments and agencies having exclusive bargaining units must work with the employee unions to explore all avenues to avert layoffs, and obtain their support for this option.

F. **RESTRICTIONS**

A department or agency may not:

1. furlough any employee it does not intend to recall to duty in the same position within one year; or
2. separate an employee through layoff while an employee with lower retention points in the same competitive level is on furlough.

G. **FURLOUGH IMPACT ON EMPLOYMENT BENEFITS**

Employees on furlough, voluntary or involuntary, will be covered for health benefits based on the following conditions:

1. The government will pay for both government and employee contributions only when the employee is certified to have no family income during the period of furlough.
2. Employees with some form of income (e.g., spouse's income, part-time or full-time job, etc.) during the furlough period will be required to pay for the employee's contribution portion only, of the health plan premium.

Employees who wish to continue their life insurance benefits will be required to pay for the premium for supplemental plans only. The employee will continue to be fully covered for the basic life insurance while on furlough.

H. **FURLOUGH RETENTION RIGHTS**

1. **Release by Furlough.** The action to release an employee scheduled for a furlough must be consistent with established layoff procedures. A department/agency may furlough an employee under the layoff provisions only, if the employee has no right of assignment, or refuses an offer of assignment. A furloughed employee who accepts another offer of assignment, becomes the incumbent of the offered position unless the employee accepts an offer of recall to the position from which furloughed.
2. **Assignment Rights.** In determining whether a furloughed employee has assignment rights to another position, it is important for the department/agency to consider whether the offer would result in undue interruption to the organization. Since a furlough anticipates an employee's recall to the same

position, the agency should consider whether undue interruption would result from the displacement of a lower-standing employee, and from the recall of both employees to their positions of record at the end of the furlough period. The assignment right does not apply when all employees in the department/agency are furloughed at the same time, or on the same basis. For example, if all employees in the Department of Administration were furloughed one day a week (either the same day or different days) on a noncontinuous basis for 28 weeks, none of the employees would have a right of assignment to another position. If only some of the employees were furloughed one day a week for 28 weeks, and other employees were not furloughed, the furloughed employees would have a right of assignment to positions held by employees with lower retention standing, and not affected by the furlough only if there was no undue interruption.

I. *RECALL FROM FURLOUGH*

If all employees furloughed from a competitive level cannot be recalled at the same time, the employees must be recalled according to their retention points beginning with the highest-standing employee.

J. *SEPARATION IN LIEU OF RECALL*

- 1. No Recall.** If the situation changes and a department/agency determines that a furloughed employee cannot be recalled within the one year period, the employee must be separated unless the employee accepted an offer of assignment to another position. If some, but not all furloughed employees in a competitive level must be separated, employees are selected for separation by retention standing points beginning with the lowest-standing employee. A new layoff notice of separation must be given to the furloughed employee at least 60 days prior to the end of the one year furlough period. The separation of a furloughed employee is a new layoff action. Separated employees are entitled to the same rights as those employees separated through regular layoff procedures.
- 2. Failure to Return.** If a furloughed employee refuses or does not respond to a notice to return to duty, the department/ agency may separate the employee by layoff effective on the specified date of recall. A new layoff notice of separation is not required.

K. PROCEDURES

Department and agency heads must submit a request to the Director of Administration for authorization to conduct a furlough within six months of the proposed furlough. The request must specify the reason for the furlough, the number of employees and/or positions to be affected, and the duration of the furlough. After the Director's approval, the following procedure applies:

1. A written 90 day notice that a furlough is planned, must be issued to all employees (whether or not identified for furlough) in the department/agency. The notice must include the following information:
 - a. The date the furlough will commence.
 - b. The period of furlough (i.e., 1-30 days continuous, 22 or more days non-continuous, or a maximum of one year).
 - c. Employees may volunteer to be furloughed.
 - d. Lost of some employment benefits for furloughed employees.
 - e. Employees under furlough are not restricted from seeking other employment during the furlough period. Those employees who already have part-time jobs while employed with the government, may opt to increase their hours of work up to a full-time basis during the furlough period.
 - f. Furloughed employees must report to work when recalled to duty.
 - g. Furlough will be conducted in accordance with employees' retention standing points.
 - h. Furloughed employees have the right to appeal to the Civil Service Commission.
2. Encourage the use of voluntary furlough to the maximum extent possible before implementing involuntary furlough.
3. Coordinate with the Department of Administration, Division of Personnel Management, with regard to the feasibility of assigning employees reached for furlough, to ensure fairness in the assignment and that the furlough poses no unnecessary disruption to the agency's/department's mission.

4. Those employees who cannot be assigned to other positions within the department/agency will receive written "Notice of Furlough". This final (or second notice) will again include the same information as the first notice. In addition, the furloughed employee shall be:
 - a. encouraged to continue his insurance coverage by personally paying for the premiums.
 - b. informed that his name will be retained in a "recall list" for one year, and must keep current address and telephone number at the DOA Personnel Office.
 - c. informed that if he fails to provide a current home address on record with the personnel office, will lose recall rights.
 - d. informed that he must respond to the recall notice within seven days of receipt or its attempted delivery, or lose his rights for reemployment.
 - e. notified that he must inform the agency/department, or DOA Personnel Office if he becomes unavailable for recall.
 - f. provided appeal rights to the Civil Service Commission.

L. *RECALL*

Employees will be recalled according to need, classification, or ability to do the job based on retention standing points. The recall notice will be sent registered mail, return receipt requested, to the current home address furnished by the employee.

Returning employees will be paid the same salary as before they were furloughed. Any unused sick leave or annual leave accrued prior to the furlough will be reinstated. All employment benefits will be restored at the same rate as before the furlough.