



employee relations **BULLETIN**

July 23, 2010

**To: Heads of All Departments (Excluding Proprietary Departments)
Departmental Personnel Directors**

**Subject: FREQUENTLY ASKED QUESTIONS REGARDING THE FISCAL YEAR
2010-11 FURLOUGH PROGRAM**

The Furlough Program for Fiscal Year (FY) 2010-11 was implemented effective Pay Period 2. The following information was prepared by staff of the City Administrative Officer (CAO) and City Controller to address frequently asked questions regarding the Furlough Program. Additional bulletins will be issued as it becomes necessary.

1. The Controller's Office issued a memo on June 14, 2010, regarding implementation of the FY 2010-11 Furlough Program. Is the information in that memo still accurate?

No. While some portions of the June 14th memo remain valid, refinements to the program were made after its publication. The memorandum from the Mayor dated July 2, 2010, contains updated parameters of the Furlough Program, including a complete listing of the general exemptions to the program.

2. Will PaySR automatically exempt employees from departments and classifications that were listed in the Mayor's memo as being exempt from furloughs?

Yes. The Controller's Office has been provided with a list of the departments, classifications, and MOUs that are exempt from furloughs. That information has been uploaded to PaySR. Additionally, as further exemptions are determined based on funding source, information on individual employees who will be exempt from furloughs on an ongoing basis will be entered into PaySR.

3. When will the FY 2010-11 Furlough Program be effective?

All employees who are not exempt from furloughs in accordance with the Mayor's memo will be furloughed effective Pay Period 2 (7/4/10 – 7/17/10). Further exemptions that are identified by the departments and approved by the Mayor's Office will be effective

beginning with Pay Period 3. Additional exemptions or changes will be effective upon Mayoral approval.

4. What is the duration of the Furlough Program?

Most employees who are not exempt will be subject to 8 hours of furlough per pay period for 26 pay periods. Non-represented employees and employees in MOU 61 will be subject to either 5 hours per pay period for 26 pay periods or 8 hours per pay period for 16 pay periods.

5. What payroll variation codes will be used for recording furlough time in FY 2010-11?

Hourly employees should use payroll code "GN."

- All GN time will be treated and recorded as furlough/unpaid holiday.
- Variation codes FN and FC were disabled effective July 4, 2010.

Payroll code "GS" will be recorded for all salaried employees.

- D-Time users cannot enter the GS code. PaySR will enter this code automatically.
- Users of systems other than D-Time (e.g. ETime, SAP, Scanner file systems, etc.) may enter a variation of the GS code, which the PaySr system will remove and automatically replace with a GS code.

6. Can hourly employees defer GN hours?

Yes, as long as those deferrals are consistent with the approved departmental furlough plan and as long as employees fulfill the obligated furlough hours by the end of Pay Period 1, 2011 (July 2, 2011). The year-to-date furlough hours will be visible to employees and department payroll supervisors for monitoring purposes. In addition, PaySR will automatically trigger a warning message when the furlough balance is equal to or greater than 32 hours in any pay period. Departments are advised to perform regular and frequent evaluations to prevent last minute catch-up problems. Furlough time will be monitored by the CAO and reported to the Mayor and Council on an ongoing basis.

7. What will happen when employees transfer to an exempted department or position?

These employees will no longer be required to take furloughs. Their furlough data (balance and YTD furlough usage) will be frozen from the date they are transferred to the new position.

8. What will happen when an employee transfers from an exempted position to a position that is required to take furloughs?

These employees will be required to take furloughs consistent with the new department's approved furlough plan effective on the date of the transfer on an ongoing basis only.

9. Can salaried employees defer furlough hours or take more than an 8-hour deduction per pay period?

No. PaySR will automatically generate the GS code for all salaried employees each pay period depending on the approved departmental plan (either 8 hours or 5 hours).

10. Can employees take voluntary furlough time in addition to the mandatory furloughs?

Yes, with the approval of their department. Any voluntary furlough hours must be coded "WF."

11. Can employees donate furlough days to other employees?

No.

12. Will PaySR generate furlough time for hourly employees if the GN code is not entered?

No. Hourly employees will be paid a full 80 hours for the pay period if the furlough code is not entered; however, an employee's furlough balance will increase by 8 hours for each pay period that the hours are not taken and these hours must be taken before the end of the Furlough Program.

13. Can employees take a partial day off for furlough time or does it have to be in full-day increments?

This is dependent on the Department's approved furlough plan.

14. Can employees take a furlough day on a paid holiday (e.g. Thanksgiving Day)?

No.

15. Can employees take a furlough day before or after a paid holiday?

Yes, if approved by management.

16. Can employees use vacation time, compensated time, or sick leave in-lieu of furloughs?

No.

17. Can hourly employees choose to come to work on furlough days without pay?

No.

18. How are furlough hours and balances displayed?

The number of obligated furlough hours accrued and used per pay period will be displayed under the "Reduced Hrs" header in the Online Direct Deposit (ODD) Earning Statement or

Paycheck Stub. Employees will also be able to see the “Obligated Furlough Hours Balance” and the “YTD Furlough Hours Used” in D-Time (hourly employees will see the real-time YTD while salaried employees will see the YTD for the pay period that they’re in after the payroll runs). The PaySR system will also generate a warning message if the “Obligated Furlough Hours Balance” is equal to or greater than 32 hours. This balance indicates that the employee has not taken 8 hours of furlough for approximately 4 pay periods.

19. Will furlough affect employees’ sick and vacation accruals?

No. Sick and vacation accruals will not be affected. Employees will still accrue sick and vacation at their normal rate.

20. Will furloughs affect employees’ other benefits?

No. Health and dental insurance eligibility and premiums will not be affected as long as employees maintain at least 40 hours compensated time per pay period. The flat dollar amount employees pay will still be deducted from employees’ paychecks and the coverage employees receive when they file a claim will not change because of furloughs. Benefit contributions that are calculated on a percentage of earnings will be slightly reduced in the pay periods where the pay is reduced due to furlough hours being taken. However, the benefit employees receive is not changed because it is reported on biweekly salary – not actual earnings.

21. Will furloughs affect employee contributions to the LACERS system?

No. Full-time employees’ contribution to the LACERS system is based on a percentage of the full biweekly rate.

22. Will furloughs affect employees’ contribution to supplemental retirement saving plans?

No. Employees’ contributions to voluntary (or supplemental) retirement savings plans are post-tax contributions at a fixed-dollar amount chosen by employees.

23. Are furloughs applied to employees on IOD or Family Leave (FMLA)?

Yes.

24. How will furloughs affect garnishments being deducted from employees’ paychecks?

Any garnishments based on percentage of pay will be reduced based on actual earnings in the pay period. Any garnishment based on a fixed amount will not be reduced.

25. If an employee is not compensated for a pay period, does the furlough obligation go from 26 to 25 (or 16 to 15, etc.)?

If the department processes a Form 41 that places the employee on the appropriate leave in time for the payroll process, the employee will be considered inactive. Therefore, the system will not generate a furlough obligation and the employee will not receive credit for taking furlough time.

If the department fails to put the employee on leave status in time for the payroll process, the employee will still be considered active. Therefore, the system will generate a furlough obligation and the employee will receive credit for taking furlough time if the appropriate payroll code is entered.

26. What should I do if I receive an individual or group grievance regarding furloughs?

Notify the Employee Relations Division of the CAO's Office of any individual or group grievance related to furloughs. The contact person for furlough-related grievances is Susan Ozawa. She can be reached at (213) 978-7637 or Susan.Ozawa@lacity.org.

27. Who do I contact for further information?

For further information related to departmental furlough plans, furlough exemptions and furlough implementation, please contact Paul Girard of the CAO's Office at (213) 978-7638 or Paul.Girard@lacity.org.

For further information on furlough-related timekeeping and payroll systems issues, please contact Robert McNeal of the Controller's Office at (213) 978-7451 or Robert.McNeal@lacity.org.

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