



CITY OF GULFPORT

Office of Human Resources

Mandatory Furlough Policy and Administrative Guidelines

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BACKGROUND AND GENERAL INFORMATION

Local governments throughout the nation, including the City of Gulfport, are experiencing severe budget shortfalls. The City of Gulfport's budget has experienced an ongoing imbalance between the increased annual costs of continuing baseline services and the lack of revenue growth to fund these services.

A work furlough is a mandatory intermittent work schedule, taken without pay, due to a lack of funds to operate a business. As companies try to manage the slowing economy and reduced revenue, they are turning to a policy of work furlough, instead of layoffs or downsizing. **A furlough is a temporary non-duty, non-pay status.**

Mandatory furloughs for specific city employees have been implemented to address the aforementioned fiscal challenges. This manual is intended to provide guidance to City department directors and managers, in implementing mandatory furloughs. This manual will be revised and updated as necessary. Such changes may include the incorporation of new policy direction, or state and federal law.

The following assumptions were made in preparing this Policy/Guidance document: Applicable provisions of the State of Mississippi Code and Rules of the Employee Retirement System Board as amended must be followed.

Mandatory furloughs apply to all furlough-eligible positions pursuant to guidelines developed by the Office of Human Resources.

Employees will not be allowed to substitute paid leave for mandatory furlough time. The number and type of positions identified under each "furlough eligibility" category is subject to change based on business need and service delivery considerations in place during a mandatory furlough week.

DEFINITIONS

Furlough Day-Any day in which a furloughed employee is placed in a temporary status without duties and without pay due to a financial emergency necessitating budget reductions.

Furloughed Employee-Any employee who is placed in a temporary status without duties and without pay due to a financial emergency necessitating budget reductions.

FLSA-Exempt Employee – An individual designated by Human Resources as being employed as a bona fide executive, administrative, professional or computer employees, as defined by the Fair Labor Standards Act (FLSA). FLSA-exempt employees are paid on a "salary basis". This requires that the exempt employee receive his or her entire salary for any work day in which he or she performs any work.

FLSA-Non-Exempt Employee – An employee who is entitled to be paid for all actual hours that he/she is required or permitted to work, including overtime hours.

Furlough-Eligible/Must Report – An employee or group of employees who occupy positions that have been identified as furlough-eligible and who would normally be furloughed on the designated City mandatory furlough days, but are required to work because of business necessity. Employees who are Furlough-eligible/must report will be required to serve the applicable number of mandatory furlough days in increments of 4 hours per furlough week, to be scheduled in a manner to be determined by the department head throughout the fiscal year.

I. APPLICABILITY

Specific City employees will be subject to mandatory furloughs. The Human Resources office and the Finance Division are responsible for developing furlough operational details and policy guidelines necessary to administer the implementation of mandatory furloughs.

The implementation of 2011 mandatory furloughs across City departments is delineated below:

All Departments will comply with the mandatory furloughs scheduled for dates to be pre-determined by the department Director/Manager. All employees will be scheduled for **Three (3)** mandatory furlough days as determined by the department Director/Manager throughout the fiscal year, which ends September 30th. All furlough days must be taken **no later than September 18, 2011**.

Exempt and non exempt (hourly employees) will be allowed to take furlough days in **minimum of 4 hour** per day during the specified furlough week.

All Departments will retain the flexibility of determining when employees will be furloughed. This includes implementing a different mandatory furlough schedule for the entire department or staggering delayed mandatory furlough days for furlough-eligible employees. The mandatory furloughs must, however, be implemented in not less than 4 hour increments, during specified furlough weeks, before the end of the fiscal year.

Each department is responsible for establishing methods to ensure furlough days are observed by each furlough-eligible employee.

PUBLIC SAFETY DEPARTMENTS: Furloughs within the Fire and Police Departments are to be scheduled in a manner designed to minimize the disruption to departmental operations. A furlough implementation plan will be submitted to the Administration for approval.

Police Department- Non-sworn employees will serve twenty four hours (24) of mandatory furlough before the end of the fiscal year. All sworn personnel will be scheduled for twenty four (24) hours of mandatory furlough before the end of the fiscal year. Furloughs at the City of Gulfport's Police Department are to be scheduled in a manner to be determined by the Chief.

Fire Department: Fire department personnel will serve three (3) days or 24 hours of mandatory furlough before the end of the fiscal year. These days are to be scheduled in a manner to be determined by the Chief.

II. PAY AND SALARY CONSIDERATIONS

2.1 Overtime and Compensatory Time

The terms and conditions describing overtime and compensatory time contained in the City of Gulfport Personnel Handbook will continue to apply. Mandatory furloughs will not count as hours worked toward the overtime threshold.

2.2 Working Additional Hours to Offset Loss of Pay

Overtime is not permitted for the purpose of making up mandatory furlough time. Making up mandatory furlough days does not achieve the savings expected with the implementation of this initiative.

III. BENEFIT CONSIDERATIONS

3.1 Benefits Service Date

An employee's benefits service date shall not be changed due to mandatory furlough days.

3.2 Health and Dental Insurance

Health and dental insurance benefits will be unaffected by the mandatory furloughs.

Employees on mandatory furlough shall be regarded as being regularly at work for purposes of Holiday pay eligibility.

3.4 Retirement Benefits

Mandatory furlough time does not reduce a member's service credit.

3.5 Sick Leave Accrual

An employee's eligibility to accrue sick leave will not be affected by the implementation of the mandatory furloughs.

3.6 Sick Leave Pay

Employees may not substitute paid sick leave for mandatory furlough days. Mandatory furlough days are not paid regardless of whether the benefits-eligible employee was on sick leave the day before, the day after, or on both sides of the mandatory furlough day. However, sick leave that is being used for absences related to a Worker's Compensation injury where the employee is still unable to return to work in a modified duty position will be provided by the City as paid leave for mandatory furlough days, but the employee will be required to observe alternate mandatory furlough day(s) upon return to service.

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3.7 Travel and Training

Employees directed to attend a training or other educational meeting or program on a mandatory furlough day will be permitted to attend and will be paid for the hours attended. The balance of the furlough hours due will be scheduled in a manner determined by the department head.

3.8 Vacation

In calculating vacation eligibility and accrual, mandatory furlough time shall be considered as time of active service. Vacation days may not be substituted for furlough days.

IV. HOURS OF WORK

4.1 Part-time Employment

Part-time employees will observe the mandatory furlough time on a prorated basis according to their Full Time Equivalent (FTE) status.

Part-time employees scheduled to work 8 hours on a pre-determined mandatory furlough day: The employee will be furloughed the number of hours equivalent to their FTE status. The balance of hours that would have been scheduled on that day can be made up at a later time to be scheduled at the Department's discretion before the end of the fiscal year.

Part-time employees NOT scheduled to work on a pre-determined mandatory furlough day: The employee will observe a furlough day on an alternate date. The number of hours furloughed will be the equivalent to their full time FTE hours. This mandatory furlough date will be scheduled at the department's discretion before the end of the fiscal year.

V. ADMINISTRATION OF LEAVE BENEFITS

5.1 FMLA

Mandatory furlough days do not require an employee to take leave under the FMLA because there is no work-duty from which leave is needed. Mandatory furlough days do not impact an employee's benefits or job assignment, therefore, employees on FMLA, with paid substitution, will observe the mandatory furlough days during their FMLA leave. However, employees may be able to extend their FMLA leave by the number of mandatory furlough days they are required to take during their FMLA leave.

Whether an employee's FMLA leave would be extended is dependent on the individual employee's specific circumstances. Therefore, it is recommended that should this situation occur; please contact the Human Resources Office with questions.

Mandatory furlough days are considered to be regular days off and should not be counted when calculating leave eligibility. For example, when calculating whether the employee worked 1,250 hours in the previous 12 months under FMLA, mandatory furlough days are not counted as earned hours or days worked. In contrast, when calculating whether the employee has been employed by the City for at least 12 months, a week in which a mandatory furlough occurs would be counted as one week of service.

5.2 Funeral Leave

Employees eligible for funeral leave during a mandatory furlough day will follow the provisions as set forth in Section 116 of the City of Gulfport's Employee Handbook. Employees taking Funeral Leave that falls on a mandatory furlough day will be required to take the mandatory furlough day at a later date to be scheduled in a manner determined by the department head in increments of four (4) hours.

5.3 Jury Duty/Court Subpoena

If an employee is called to Jury Duty on a mandatory furlough day, the employee will not be paid by the City of Gulfport for that day. Since the mandatory furlough day is considered an unpaid day the employee will be allowed to accept the jury duty pay provided by the court during any designated mandatory furlough day. In addition, employees who are under a subpoena to appear on the City's behalf in court during a mandatory furlough day will be allowed to keep compensation received for appearing, and will be furloughed on an alternate date to be determined by their department Director/Manager.

5.4 Military Leave of Absence

Leaves of Absence for Military Training and Civil Disturbances (**Short Term Military Leave**) – Employees who are on a short term military leave for training or civil disturbance during a mandatory furlough day or period will receive compensation in accordance with City of Gulfport's Employee Handbook. The employee will be required to take a delayed, mandatory furlough day (s) upon return from short term military leave to be approved in a manner determined by the department head.

Military Leave of Absence (**Long Term Military Leave**) – Employees who are on a long term military leave during a mandatory furlough periods may be required to take a delayed, mandatory furlough day (s) upon return from military leave. Depending upon the exact date of return, furloughs will be prorated, based upon their return to work date. Employees will be required to take 4 hours of Furlough for every full month remaining in the fiscal year.

5.5 Leave Accrual Dates

A mandatory furlough does not impact leave accrual dates.

5.6 Return from authorized Layoff or Leave

The intent to not reduce the pay rate or range of any employee returning to City service from a duly authorized layoff or leave of absence is subject to the terms of a mandatory furlough.

5.7 Unpaid Leave of Absence

If an employee is already in an unpaid leave status at the time they are designated for mandatory furlough, they will not have to take an alternative mandatory furlough date unless the furlough action is extended beyond their return date.

VI. RECORDKEEPING AND PAYROLL CONSIDERATIONS

6.1 FLSA Requirements

Accurate time records must be kept for FLSA non-exempt employees during any week in which such employees receive a mandatory furlough day. During any week in which an employee who would otherwise be exempt from the overtime provisions of the FLSA receives a mandatory furlough day, the employee is deemed under FLSA regulations to lose his or her exempt status and would therefore, be entitled to overtime if he or she works more than 40 hours in the week. Under the FLSA, an accurate record must be kept for all hours worked in a work week by all FLSA non-exempt employees. Accordingly, such records must be kept for otherwise exempt employees during any work week in which they receive a mandatory furlough day. The records to be kept for such employees and all other non-exempt employees as well, during weeks in which they receive a mandatory furlough day is described below.

FLSA-Exempt Employees. All employees, including FLSA-exempt employees, who are identified as furlough eligible will be strictly prohibited from working on furlough days. During weeks in which a furlough occurs, FLSA-exempt employees will be converted to hourly status. Such employees will be required to track their hours consistent with the standard hourly tracking practices resident in their home department. During the period when FLSA-exempt employees are converted to hourly, they must subscribe to standard working hours and all other rules (*e.g.*, rest periods, meal periods and leave requests) which are required in their home department. For example, partial-day absences due to medical appointments must be requested in advance and deducted from the employees' sick leave accrual balance.

FLSA-exempt employees converted to an hourly status in a week in which a furlough occurs are specifically directed not to work hours in excess of a standard schedule without the specific authorization of their supervisor or manager. Such work includes being physically present in the office, work at home, work online, work on the telephone, "working lunches," work on a Blackberry or work on a cell phone. All work in service of the Department for which an individual does not receive compensation through the approval process, including overtime, is prohibited. Employees in violation of the requirement are subject to disciplinary actions.

Records-keeping for all employees during work weeks in which they receive a mandatory furlough day. Record-keeping requirements for employees during work weeks in which a mandatory furlough day is taken differ slightly from the requirements during non-furlough weeks. During a work week in which a mandatory furlough is taken, mandatory furlough hours must be recorded via manual time sheet or in the Kronos system under the pay code furlough. In addition, during any week in which an employee receives a mandatory furlough day, the employee must also record all time (paid and unpaid) for the week in Kronos timekeeping system made available to payroll administrator.

VII. GENERAL CONSIDERATIONS

7.1 New Hires

All new hires will be subject to the furlough policy, the number of days furloughed will be based upon date of employment. Employees hired **after March 8, 2011 must take twelve (12) hours of furlough.** Any new employee hired after **August 18, 2011** will not be subject to being furloughed.

7.2 Administrative Hearings

Employees scheduled to attend administrative hearings will be compensated for their time but will be subject to a delayed mandatory furlough to be scheduled in a manner determined by the department head.

7.3 Disciplinary Suspensions

Employees may not count unpaid suspensions imposed for disciplinary reasons as a mandatory furlough day.

7.4 Emergency Procedures

In those cases where an emergency call out occurs on a mandatory furlough day or during a mandatory furlough week, employees may be called back to work. Such employees are compensated in accordance with standard compensation procedures. They will be required to be furloughed at a later pre-determined date.

7.5 Employees On Call or On Standby Who are Called Back to Work

Employees who are on call or stand-by will be compensated in accordance with policy if they are called back to work on the day of a mandatory furlough.

7.6 Probationary Period

With the implementation of mandatory furloughs, probationary periods will not change.

7.7 Seniority Date

Mandatory furloughs do not constitute a break in service; therefore, there will be no adjustment to an Employee's seniority date.

Failure to take furlough days will result in disciplinary action being taken.