FURLOUGH
Employee Questions and Answers #1
(HGEA Employees of Bargaining Units 2, 3, 4, 9, and 13 and Excluded Counterparts Only)

NOTE: The following questions and answers are specifically intended to briefly address furlough related issues that apply only to HGEA employees and their excluded counterparts, and shall not constitute a contract of employment. The applicable negotiated agreements or executive order and department furlough plan shall take precedence over any conflicting information in the questions and answers below.

GENERAL

Q1: What is a furlough?

A1: A furlough is the placement of an employee temporarily and involuntarily in a non-pay and non-duty status by the Employer because of lack of work or funds, or other non-disciplinary reasons.

Q2: Who does the furlough plan apply to?

A2: The furlough plan applies to all Executive Branch employees of the State of Hawaii under the authority of the Governor who are members of HGEA Bargaining Units 2, 3, 4, 9, 13, and their excluded counterparts, and excludes employees of the Department of Education, Hawaii State Public Library System, University of Hawaii, and Hawaii Health Systems Corporation.

Q3: If an employee is working in a specially-funded or federally-funded position, will he/she be subject to the furlough program?

A3: Yes.

Q4: When will the furlough plan be effective and how many days will employees be furloughed?

A4: The furlough plan period will be effective October 1, 2009 through June 30, 2011 for a total of forty-two (42) days and the number of days per fiscal year shall be as follows:

- Effective October 1, 2009 through June 30, 2010
  - For full-time employees -- 18 days.
- Effective July 1, 2010 through June 30, 2011
  - For full-time employees – 24 days.

For part-time employees -- the number of days they shall be furloughed will be prorated based on the employee's full-time equivalent (FTE). For example, those who work 20 hours per week will be placed on a furlough for a total of twenty-one (21) days, instead of forty-two (42) days during the furlough plan period.

(See also question and answer #17)

Q5: Can employees choose their furlough days?

A5: Department heads or Department Head's designee will determine when employees are to take furlough days based on operational needs.

If an employee is permitted to request the day(s) on which to take a furlough(s), the Department Head or Department Head's designee retains the discretion to determine when furlough days are taken based on operational needs and shall be taken within the same fiscal year as the applicable pay adjustment period.

Q6: Can furloughs be taken in partial day increments?

A6: That will be determined in the departmental furlough plan.

Q7: What if an employee is not able to take their furloughs within the month for operational reasons, as directed by the Department Head or the Department Head's designee?

A7: Employees shall take the untaken furlough day(s) within the same fiscal year, as directed by the Department Head or Department Head's designee, without any additional pay adjustment when such furlough day(s) are taken.

Employees shall not forfeit any furlough days due to operational reasons and each Department Head or Department Head designee shall make every effort to assure that the employee is given the opportunity to take such furlough day(s) as soon as operationally feasible.

Q8: Can an employee be required to work on a pre-approved furlough day?

A8: Yes, and the employee should reschedule the furlough for another day. (Note: Related provisions of the Bargaining Unit contracts or Executive Order that may be applicable to such situations will need to be followed.)

Q9: Will a furlough be counted as a break in service?

A9: No.

Q10: If an employee is hired after the furlough program goes into effect, will he/she be subject to the furlough program?

A10: Yes. New employees hired during the furlough period will be included in the furlough program.

Q11: Will the furlough affect an employee's status as a full-time employee?

A11: No, the employee's FTE (Full-Time Equivalent)* will remain the same.

*Definition of **F**ull-**T**ime **E**quivalent (FTE): Based on an 8-hour workday, the FTE is the percent rate that an employee is employed. Basically, 100% FTE means an employee is employed on a full-time basis, 50% FTE means an employee is employed on a half-time basis, and so forth.

Q12: Can furlough hours be taken in advance?

A12: No, unless approved by the Department Head on a case-by-case basis.

Q13: Will the furlough affect employees' service anniversary dates regarding service awards?

A13: No.

Q14: Has the Ethics Commission provided guidance regarding any limitations on second jobs?

A14: Yes. In the June 2009 issue of the Hawaii State Ethics Commission newsletter, "The High Road," the Commission published guidelines that employees should keep in mind when looking for outside employment or starting their own business to supplement their government paychecks. A copy of "The High Road" may be downloaded from their website at: http://hawaii.gov/ethics/pubs_guides/newsltr/2009.

Q15: Can an employee take his/her furlough on a holiday?

A15: No, furloughs will not be on holidays.

Q16: How will the furlough affect child support payments being deducted from an employee's paycheck?

A16: The amount deducted for child support is set by court or administrative order. If your paycheck does not cover the amount that is to be deducted to satisfy your child support obligations, the portion that is not deducted will be considered a delinquency and payment will need to be sent directly

to the Child Support Enforcement Agency at: P.O. Box 1860, Honolulu, Hawaii 96805-1860.

If there are any questions, employees may call 692-8265. Neighbor island employees may call: Maui – 243-5241; Kauai – 241-7112; Hawaii – 933-0644; Molokai and Lanai, toll free, 1-888-317-9081.

SALARY/ PAYROLL ADJUSTMENTS

Q17: When will the furlough adjustments be reflected in employees' paychecks?

A17: For employees hired before July 1, 1998, adjustments will be automatically made from each paycheck beginning November 5, 2009. For employees hired on/after July 1, 1998, adjustments will be automatically made from each paycheck beginning November 20, 2009.

Q18: For employees on temporary assignment (TA), will they still get TA pay on a furlough day?

A18: No.

Q19: Will the furlough impact the calculation of differentials and premium pay?

A19: No, since the furlough adjustment is only to be made to the base pay.

Employees are not to include furlough days when submitting/making claims for differentials or premium pay that are applicable on a day-to-day basis.

Examples:
1) Working condition differential
2) Night differential
3) Hazard pay differential
4) Meal Allowance

Q20: Will the furlough impact employees' automatic payroll deductions (e.g. EUTF, Parking, Deferred Compensation, Aloha United Way, etc.)?

A20: It may. Therefore, it is recommended that employees review their automatic payroll deductions to ensure that their adjusted income will be sufficient to cover all of their deductions.

LEAVES

Q21: Will furloughs affect the number of hours of vacation or sick leave earned for full-time and part-time employees?

A21: No.

Q22: How will the furlough impact an employee on vacation or sick leave for a full calendar month?

A22: The employee's vacation/sick leave will be adjusted for the furlough days and the vacation/sick leave will be credited to his/her leave balance for future use.

Q23: If an employee already requested and was approved vacation leave, can the employee now substitute a furlough day for one of the pre-approved vacation days?

A23: This will be addressed in departmental furlough plans.

Q24: Can an employee use paid leave (e.g., vacation, sick compensatory time off) in lieu of furlough?

A24: No.

Q25: Will an employee who is suspended for disciplinary reasons be subject to furlough?

A25: Yes, for example if an employee is suspended for five (5) days, the suspension period shall not be lessened by a furlough day.

Q26: How will the furlough impact an employee out on family leave for a full calendar month?

A26: The furlough will not impact an employee out on unpaid family leave. However, if the employee is substituting paid sick leave or vacation leave for the period on family leave, he/she will not be paid for the furlough days.

Q27: Will the furlough affect the number of donated leave days an employee may receive under the departmental Leave Sharing Program for serious injuries or illnesses?

A27: No, provided the number of furloughed days required for the month can still be applied.

Example: An employee requests shared leave for the entire month of

February 2010 (20 workdays). The department decides to grant such leave for the entire period; however, 2 furlough days must still be applied for the month. Therefore, the employee shall receive a total of 17 shared leave days, excluding the holiday.

February 2010						
Su	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

Holiday: February 15
President's Day

Q28: Will furloughs affect the method for calculating lump sum vacation payout when an employee retires or otherwise separates from service?

A28: No. The employee's lump sum vacation payout will be calculated in the normal manner, using the employee's base pay (not the furlough adjusted pay). This will also apply to employees hired before July 1, 1997.

EMPLOYEES' RETIREMENT SYSTEM (ERS)

Q29: Will a furlough affect an employee's retirement service credits?

A29: No, so long as the employee was on paid status for 15 or more calendar days during the month. (Note: If furloughed in the month of February, the employee will need to have been on paid status for 14 or more calendar days during the month.)

Q30: Will a furlough affect the calculation of an employee's retirement benefits?

A30: Yes. Retirement benefits are based on actual pay. "Average final compensation" for service and disability retirement benefit purposes is based on the employee's 3 or 5 highest paid years of creditable service, in accordance with the ERS law and rules. Any furlough may lower the "average final compensation" level.

Q31: Will employees in the Hybrid Plan or Contributory Plan be allowed to temporarily cancel their contributions during the furlough period?

A31: No.

For additional information on your retirement benefits, visit the ERS website at: http://www4.state.hi.us/ers/Publications.htm, or you may call them at 586-1735.

Q32: Will an employee's "ordinary death" benefits be affected if he/she dies while on furlough?

A32: No. Death benefits are payable to all Employees' Retirement System members, including those on furlough, as long as the member died while still employed and meets (for certain plans) the minimum years of service eligibility requirements.

Q33: Will the employee's contributions to the Employees' Retirement System for the Contributory or Hybrid Plan be based on the employee's base pay or adjusted gross pay?

A33: Employee's contributions will be based on the adjusted gross pay.

DEFERRED COMPENSATION PLAN

Q34: Will an employee's deferred compensation be affected?

A34: It may. If an employee is deferring a set percentage of his/her pay, rather than a dollar amount, their total annual contribution amount may decrease. The maximum annual deferral amounts/limits is defined by the Internal Revenue Service (i.e., $16,500 for 2009).

To discuss their options, employees may call ING, the Island Savings Plan Administrator, at 1-888-712-5642.

HEALTH BENEFITS

Q35: Will an employee's health benefits continue while on a furlough?

A35: Yes, as long as the necessary premium payments are made on a timely basis. Employees who do not have sufficient monthly earnings to pay for their insurance premiums will be sent a Notice of Premium shortage by the Employer-Union Health Benefits Trust Fund (EUTF).

Q36: If a part-time employee is currently receiving health benefits, will the furloughs affect the employee and cause him/her to lose health benefits coverage?

A36: No. The employee will not lose health benefits coverage as a result of the furloughs because the State will not change the employee's FTE (Full-Time Equivalent) designation which is one of the factors used to determine health benefits eligibility. As stated in Q&A #35 above, health benefits coverage will continue as long as the necessary premium payments are made on a timely basis.

PREMIUM CONVERSION PLAN (PCP)*

Q37: Will employees enrolled in the PCP be allowed to cancel or change their PCP enrollment during the furlough period?

A37: No, the furlough is not an IRS-qualifying change in status event that would allow an employee to change/cancel their PCP enrollment and payroll deductions.

*Note: The PCP is a voluntary benefit program that provides an opportunity for most health plan participants to deduct their health plan premiums on a pre-tax basis.

ISLAND FLEX FLEXIBLE SPENDING ACCOUNTS PLAN

Q38: If an employee participating in the Island Flex Flexible Spending Accounts Plan doesn't have enough in his/her paycheck to cover their deductions, what should they do?

A38: Call Comprehensive Financial Planning, Inc., the State's Third-Party Administrator of the Plan, right away to make special arrangements. Oahu employees should call 596-7006. Neighbor island employees may call toll free at 1-877-550-5552. They may also be reached by e-mail: cfpii001@hawaii.rr.com.

Q39: Will employees enrolled in the Island Flex Flexible Spending Accounts Plan be allowed to cancel or change their enrollment during the furlough period?

A39: No, the furlough is not an IRS-qualifying change in status event that would allow an employee to change/cancel their enrollment and payroll deductions.

PARKING

Q40: What will happen to an employee's State parking if he/she does not have enough in their paycheck to cover for parking deductions?

A40: The employee's parking assignment will continue, provided the employee makes out-of-pocket payments to the DAGS Automotive Management Division/Parking Control Branch on a timely basis. Arrangements may be made by calling 586-0344.

PRE-TAX TRANSPORTATION PROGRAM
(i.e., Pre-Tax Bus Passes, Vanpool Hawaii, Handi-Van)

Q41: Can an employee cancel his/her enrollment in the pre-tax transportation program due to the furlough?

A41: Yes, as long as the cancellation form is submitted to the Department Coordinator no less than 35 days prior to the month for which the cancellation is to be effective.