

Salisbury University
FY 2010 Temporary Salary Reductions
and
Administrative Furlough Leave Days Plan

Frequently Asked Questions

What is a “temporary salary reduction”?

A temporary salary reduction is an adjustment to affected rates of pay for a specified period of time. In the case of this Plan, the pay reduction will be spread over 15 pay periods, beginning with pay period ending October 20, 2009 through pay period ending May 4, 2010.

What is the difference between “Administrative Furlough Leave” and a Furlough?

A Furlough is the placement of an employee in a temporary non-duty, non-paid status for budget-required reasons.

Administrative Furlough Leave is paid leave granted to an employee. In the context of Salisbury University’s FY 2010 Temporary Salary Reductions and Administrative Furlough Leave Days Plan, the granted paid leave is equivalent to the designated number of days of salary reduction.

This Plan will permit SU to realize the required cost-savings, while lessening the impact of such measures by spreading out the salary deduction over a period of time, granting equivalent Administrative Furlough Leave to employees, in addition to the University closures.

When will the FY 2010 Temporary Salary Reductions and Administrative Furlough Leave Days Plan be in effect?

The Plan will be in effect from October 7, 2009 through June 15, 2010. The temporary salary reductions in pay will occur over 15 pay periods, starting with pay period ending October 20, 2009 (pay date October 28, 2009) and ending with pay period ending May 04, 2010 (pay date May 12, 2010).

All affected employees will receive an Administrative Furlough Leave balance equivalent to the designated number of days of temporary salary reduction. It is anticipated that this Administrative Furlough Leave balance will be available to employees on or about November 4, 2009. The Administrative Furlough Leave is to be used before June 15, 2010, either in hourly or full-day increments.

Do the Administrative Furlough Leave days have to be used on designated days?

No, there are no designated days to take this leave; however, to lessen the impact on campus operations or the academic calendar, Salisbury University will close additional days for the Holiday Break and during Spring Break, and employees are encouraged to use the

Administrative Furlough Leave days during these closures. In addition to the scheduled Holiday Break of December 24, 2009 through January 3, 2010, **the University will also close on Monday through Wednesday, December 21 – 23, 2009. The closure for Spring Break 2010 will be March 15 through March 19, 2010, with March 19 being a designated Holiday** previously accrued on Presidents' Day, February 15, 2009. During the University closures, employees may use the granted Administrative Furlough Leave days/hours or their own accrued annual, personal or holiday leave balances. Employees who are designated for a salary reduction of fewer than seven (7) days must save other leave (i.e., annual, holiday or personal leave) to use during the Spring Break closure to prevent going into an unpaid status. For example, assuming an employee in the <\$50,000 category uses three (3) Administrative Furlough Leave days during the December Holiday Break, he/she should reserve four (4) days of leave for the Spring Break closure. Also, pursuant to USM Policy, employees may not use sick leave during the closures.

As long as paid leave is available, employees may not request or be approved for unpaid leave. If an employee exhausts all available paid leave due to extenuating circumstances, and does not have any paid leave available to remain in paid status during the Spring Break, a formal, written request for advanced annual leave may be submitted to Human Resources. Applicable USM policies will be applied in processing the request for approval.

Why is the University closing?

In addition to the implementation of this Plan, additional savings will be obtained in utilities and other operating costs through the additional campus closures.

What about "Essential Personnel"?

Essential personnel who are required to work during the University closures will use the granted Administrative Furlough Leave on other days at their discretion before June 15, 2010, with supervisory approval.

Which employees are designated as "Essential Personnel"?

"Essential" employees are those in positions that have been designated as vital to the operation of the facility, whose presence is required regardless of the existence of an emergency condition, and whose absence from duty could endanger the safety and well-being of the campus population and/or physical plant. If you have any questions whether your position has been determined as "essential," please see your department manager.

May an employee work when scheduled off for an Administrative Furlough Leave day(s)?

An employee may not work when scheduled off for an Administrative Furlough Leave day. In the event of an emergency, the employee's appointing authority may revoke an Administrative Furlough Leave day and the employee shall be paid for work performed on that day. The employee may take the Administrative Furlough Leave day(s) on some other day(s) prior to June 15, 2010.

How is it determined which employees will be subject to the Temporary Salary Reductions and Administrative Furlough Leave Days Plan?

Determinations were made by Salisbury University's Administration, in consultation with SU's Shared Governance groups (Faculty & Staff Senate) and MCEA (Non-Exempt Employees Collective Bargaining representatives), based on gross annual earnings as of October 20, 2009 as charged through the Governor's Executive Order, and subsequently through a resolution by the Board of Regents of the University System of Maryland.

Will part-time employees and contractual employees be affected by this furlough plan?

Yes, both part-time employees and contractual employees, including part-time non-tenure track faculty with contract pay over \$20,000 per semester (but excluding certain State and Federally Grant-funded employees) will be subject to the temporary salary reductions and be granted Administrative Furlough Leave days. For part-time employees the number of designated days is determined by the annual salary pro-rated to full-time status. Example: An employee employed at 50% of full-time basis with an annual salary less than \$50,000, is subject to a salary reduction of 3 days, equaling 12 hours at a 50% basis and will be granted 12 hours of Administrative Furlough Leave (3 days = 24 hours divided by 2 = 12 hours).

Contingent I hourly employees will not work on dates when the campus is closed, and thus will not be paid for hours not worked.

Will part-time and/or contractual employees who are not eligible for Administrative Furlough Leave be permitted to work more hours to "make up" for the hours not worked on the days that the University is closed?

No, the USM Guidelines and BOR Resolution clearly state that an employee may not work in excess of the employee's normal work week reduced by University closure. Permitting an employee to work extra hours or overtime would reduce the savings achieved by the closure.

Will H-1B Faculty members be affected by the FY 2010 Temporary Salary Reductions and Administrative Furlough Leave Days Plan?

Because of Federal regulations, H-1B Faculty members should contact the Provost Office regarding how they are affected by the Plan.

Will new hires be affected by the FY 2010 Temporary Salary Reductions and Administrative Furlough Leave Days Plan?

Anyone who is hired during the Plan period will be required to participate in the Salary Reduction and Administrative Furlough Leave Days Plan on a prorated basis. The number of days that the employee will be subject to is determined by the employee's salary upon hire and prorated based on the employment start date.

How will it be determined how many temporary salary reduction days each employee is subject to?

The number of salary reduction days taken by an employee will be determined by gross annual salary (not including overtime or shift differential) as of October 20, 2009.

For an employee receiving acting capacity pay, the number of salary reduction days will be determined based on the employee's regular rate of pay, not the acting capacity pay rate.

How is the temporary salary reduction calculated?

All employees (faculty and staff) on "26 pays" will have 1/10th of their bi-weekly pay rate used as the "daily rate" for purposes of this plan. Any other pay schedules or pay plans shall be prorated to the above-mentioned equivalent. The spread of the salary reduction days over 15 pay periods will be calculated as follows: Employee's **biweekly wage** divided by **10**, times the **number of salary reduction days**, divided by **15** pay periods.

Will the Plan affect an employee's health benefits?

No. The employer and employee share of health benefits premiums will remain the same during the time frame that the Plan is in effect. The State will continue to make the same premium contribution and an employee's deductions will be processed in the normal fashion for any week in which an employee has a furlough day.

Rarely, due to other factors such as a period of unpaid leave unrelated to the furlough, an employee may not receive a paycheck with sufficient funds to cover the employee's portion of the benefit deductions. In such cases, we are required to treat this matter as any other no-pay situation.

Does the Plan have any impact on my retirement benefits?

This issue is addressed by the USM Furlough/Salary Reduction Guidelines. Neither the salary reduction days nor the Administrative Furlough Leave will impact retirement benefits. In other words, as a result of the manual effort of processing the salary reductions, an employee's gross pay will not be reduced by the temporary salary reduction for the purposes of calculating retirement benefits. However, all taxes will be calculated on the adjusted biweekly wages (State, Federal, and Social Security taxes) possibly reducing tax liability for that paycheck.

Will an employee's leave accrual rates be affected by the Plan?

No. Neither the temporary salary reduction nor the Administrative Furlough Leave will have any impact on leave accrual rates.

Will Faculty members on Sabbatical Leaves be affected?

Yes, Faculty members on sabbaticals will also be subject to the Plan.

Will the Plan impact an employee who is on a Family and Medical Leave Act (FMLA) qualifying leave?

Yes, an employee on an approved Family and Medical leave is subject to the Plan.

Can an employee work overtime in a week in which the employee takes an Administrative Furlough Leave day?

No. As required by the USM Guidelines and BOR Resolution, Administrative Furlough Leave is considered work time for the purposes of calculating eligibility for overtime. Therefore, supervisors should not permit an employee to work overtime in a week in which Administrative Furlough Leave time is taken. Permitting an employee to earn overtime during a week in which the employee takes an Administrative Furlough Leave time would reduce the savings achieved by the Plan.

May an employee substitute paid leave (annual, personal or sick leave, or compensatory time) for Administrative Furlough Leave days during the University closures?

An employee may, with supervisory approval, use earned annual, personal, holiday leave or compensatory time earned during the University closures instead of the Administrative Furlough Leave days; however, all Administrative Furlough Leave must be used by June 15, 2010. Employees may not use accrued sick leave during the closures. Any unused Administrative Furlough Leave will be forfeited if not used by June 15, 2010.

May an employee request an Administrative Furlough Leave day before or after a paid Holiday or in conjunction with paid leave?

Yes, an employee may request to take an Administrative Furlough Leave day before or after a paid Holiday and this will not affect payment for the Holiday. Additionally, an employee may take Administrative Furlough Leave days in conjunction with other forms of paid leave.

How does an employee effectuate a request to take Administrative Furlough Leave on other days than when the University is closed?

For leave outside of the University closures, in order to maximize coverage and ensure uninterrupted service, each employee must obtain supervisory approval to take off in the same manner that an employee would for any other absence or use of leave by submitting a request to the supervisor.

What will happen if an employee fails to make a request to take the required number of Administrative Furlough Leave day(s)?

If, within a time frame required by a supervisor, an employee does not submit a request for unused Administrative Furlough Leave, any unused Administrative Furlough Leave balance as of June 15, 2010 will be forfeited.

How do I find out what my Administrative Furlough Leave balance is?

Employees utilizing the web time sheet will see their Administrative Furlough Leave balance on their Current Leave page and their Detail Leave page. These pages are part of their time sheet.

As Administrative Furlough Leave is used, it is processed and deducted from the available leave balance. Employees using the “swiper” system will be able to see their Administrative Furlough Leave balance on their Detail Leave report.

What happens if an employee leaves University service before May 4, 2010, and has already taken all Administrative Furlough Leave days?

If an employee leaves University service before May 4, 2010 (before all temporary payroll deductions have taken place) and has used all Administrative Furlough Leave, any Administrative Furlough Leave owed to the University will be calculated and the employee’s accrued annual or holiday leave balances will be prorated and adjusted accordingly.

May an employee receive unemployment benefits to cover the loss of compensation due to temporary salary reduction?

No, an employee will not be eligible to receive unemployment benefits to cover the loss of compensation as a result of the temporary salary reduction.

Does an employee have grievance rights regarding the temporary salary reduction?

An employee’s temporary salary reduction and associated Administrative Furlough Leave days do not give rise to any grievance or appeal rights under the State COMAR, USM Policies or SU policies and procedures.