Frequently Asked Questions
FY2015 Employee Furlough/Salary Reduction Plan
University of Maryland, College Park
February 2, 2015

This “Frequently Asked Questions for the FY2015 Employee Furlough/Salary Reduction Plan” pertains to the University of Maryland, College Park only. The FAQ document is comprised of three sections, as follows: Section 1 responses apply to all eligible Faculty and Staff; Section 2 applies to Staff only; Section 3 applies to Faculty only. The salary recovery method in FY2015 is different for faculty and staff.

SECTION 1. – ALL EMPLOYEES

1. Why is it necessary for the University to implement a mid-year Furlough Plan in FY2015?

   The University of Maryland recently experienced a significant and unplanned cut to its FY2015 budget on in the amount of $15.6M. In a message to the University community on January 16, 2015, President Loh outlined his four-part plan to address this cut, guided by the principles of shared sacrifice and fairness. The employee furlough plan has been developed in this spirit.

2. What is a furlough?

   A furlough is a temporary non-duty, no-pay status required to achieve salary savings before the end of the fiscal year on June 30, 2015. In this plan, furlough days are used by eligible faculty.

3. What is a “temporary salary reduction”?

   A temporary salary reduction reduces a staff member’s salary in even parts spread over ten pay periods, in order to achieve salary savings before the end of the fiscal year on June 30, 2015.

4. Who is being furloughed?

   A. Eligibility Criteria
1. **Included** in this plan are staff and faculty in the following categories, on fully or partially state- or auxiliary/self support-funded appointments, in combination with other funding sources:

- Faculty Tenured (category status code-01)
- Faculty Non-Tenured On-Track (category status code-02)
- Faculty Non-Tenured, Term Contract (category status code-03)
- Faculty Non-Tenured, Continuing (category status code-15)
- Faculty Contractual (category status code-25)
- Nonexempt Staff Regular (category status code-20)
- Nonexempt Staff, Contingent 2 (category status code-22)
- Exempt Staff Regular (category status code-33)
- Exempt Staff, Contingent 2 (category status code-35)
- Non-Teaching Overloads (category status code-37)
- Any employment category included in this section, with an effective start date before January 16, 2015

2. **Excluded** from this furlough plan are the following:

- Faculty and staff employees with appointments that are at least 95% grant and contract-funded. (Should funding change to include state funding after January 16, 2015, employees will be assessed the amount they would otherwise have been responsible for from the pay period of change).
- For Faculty and staff employees less than 95% grant and contract-funded, the partially grant-funded portion of an employee’s salary.
- Undergraduate and graduate student hourly employees
- Graduate Assistants
- H1-B Visa holders
- Nonexempt, Contingent 1 Staff (category status code-31)
- Exempt, Contingent 1 Staff (category status code-340
- Faculty Hourly (category status code-36)
- Faculty Non-Regular, Non-Tenured (category status code-37)
- Teaching overloads (category status code-37)
- Faculty and staff appointed with an effective date on or after January 16, 2015
- Summer Session and Winter Term appointments

5. **Why are faculty and staff treated differently under the FY2015 Furlough Plan?**

Many faculty receive full- or partial-funding from grant and contract sources, and those funds cannot be received by the University to fulfill State obligations under a furlough plan. This plan was developed so that the faculty member keeps the grant-funded portion of their salary and must meet their grant effort obligation.

6. **Why were staff not able to take furlough days?**

An underlying premise in developing this furlough plan was that each employment category be treated the same in order to comply with federal laws and regulations. Since there are relatively few staff funded fully or partially from grant and contract sources, the
decision was made to apply temporary salary reductions to the entire staff category, as it is preferred by most staff over furloughs. Temporary salary reductions allow for equal pay reductions spread over ten pay periods, as opposed to the fluctuating pay reductions following actual furlough days.

7. **Will classes be cancelled or services discontinued during the FY2015 Furlough Plan?**

Classes will not be cancelled.

8. **Am I required to take my Admin-Leave Furlough (staff) or Furlough (faculty) days as full days?**

Employees have the option to take their furlough days in half or full-day increments.

9. **How do I know what my furlough/temporary salary reduction obligation is?**

- The furlough/target salary reduction is based on an employee’s **total eligible salary**, which is comprised of all **eligible sources of funds**\(^1\) and includes salary additions for administrative increments, acting increments, non-teaching overloads, and all other salary additions to pay (except health and retirement subsidies, and teaching overloads), **as determined on January 16, 2015**.

UMD’s most financially vulnerable employees will share the lightest burden, as follows:

<table>
<thead>
<tr>
<th>TSR/Furlough Table</th>
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<tr>
<td><strong>Obligation</strong> (temporary salary reduction or furlough; IN DAYS)</td>
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10. **Is there some place where I can view my salary furlough reduction information?**

Yes, UHR has developed a secure on-line tool to display the employee’s Temporary Salary Reduction/Furlough information. To access your personal the furlough details:

1. Access "ARES" at http://ares.umd.edu/home/
2. Click "Payroll and Human Resources"

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\(^1\) Total Eligible Salary includes all State, Auxiliary/Self-Support, and Dedicated funding sources that begin with 011, 012, 013, or 017 (except 0122 & 0123/cost share accounts-match funds on G&C, 01292/Maryland Industrial Partnerships, or 01294104/Mid-Atlantic Consortium/MAX-E&G)
3. Click "View/Print Bi-weekly Earnings Statement"
4. Enter University ID (UID) and password
5. Click "Login"
6. Click "Continue"

This will open the "Online Earnings Statement-Select Pay Period" page. This is where you will find the "FY 2015—Furlough/Salary Reduction Information" applicable to you.

11. **Are grant and contract-funded employees subject to the FY2015 Furlough Plan?**

   Faculty and staff employees with appointments that are at least 95% grant and contract-funded are excluded.

12. **Are partially grant-funded employees subject to the FY2015 Furlough Plan?**

   For Faculty and staff employees less than 95% grant and contract-funded, the partially grant-funded portion of an employee’s salary is excluded from the furlough obligation.

13. **What if my salary changes during the year?**

   The number of required furlough days is based on the “point in time” total eligible salary including salary additions (excluding health and retirement subsidies) as of January 16, 2015.

14. **Can I substitute a day of Annual Leave, Personal Leave, or Sick Leave for my required Furlough day?**

   No.

15. **If I use Admin Leave-Furlough on the day before a holiday, will I still earn the holiday?**

   Yes. For example, if May 24, 2015 is used by the employee as Admin Leave-Furlough, the employee will still earn May 25th as a holiday. Employees are reminded that furlough days must be scheduled with their supervisors, subject to usual operational demands.

16. **May I take an Admin Leave-Furlough day on a holiday that is earned and observed on the same day? (e.g., Memorial Day)**

   No, employees cannot use an Admin Leave-Furlough day on a holiday that is earned and observed on the same day.

Revised: 2/12/2015
17. May I take an Admin Leave-Furlough day on a holiday that is earned, but observed on another day (e.g., President’s Day, February 16, 2015)?
Yes, and the holiday will be available for use on its observed day.

18. Will the FY2015 Furlough Plan have any effect on my health insurance benefits?
No.

19. Will the FY2015 Furlough Plan have any effect on my retirement benefits?
No.

20. Does the FY2015 Furlough Plan affect my Annual and Sick Leave accruals?
No.

21. If I am currently using paid leave, how will the FY2015 Furlough Plan impact me?
Employees on paid leave such as Sick Leave, Advanced and Extended Sick Leave, Leave Reserve Fund, paid Parental Leave, and paid FMLA will be responsible for taking their Admin Leave-Furlough days during the furlough period or upon their return.

22. If I am currently on unpaid leave such as LWOP or FMLA-unpaid; how will the FY2015 Furlough Plan impact me?
If the unpaid leave is scheduled to end prior to June 27, 2015, the employee will be responsible for taking Admin-Leave Furlough day(s) upon his or her return to a paid status.

23. My first day of work at the University was January 18, 2015. Will I have furlough days in FY2015?
No.

24. If I am on an H-1B Visa, will I be required to take furloughs?
No.

25. If I have applied for an H-1B Visa but have not yet been approved, am I required to take furloughs?
Yes. Only those employees who are on H-1B Visas are exempt from the Furlough Plan.

26. If I am partially employed by UMCP and partially by another USM campus, which Plan do I follow?
This furlough plan is in effect at College Park campus. The employee will be responsible for the furlough target under the parameters of this plan.

27. **Am I required to take furloughs if I work off-campus?**

   Yes.

28. **Will new hires be affected by the FY2015 Furlough Plan?**

   Eligible employees hired prior to January 16, 2015, will be required to take furlough days. New employee hired with an effective date on or after January 16, 2015 will be excluded from the salary reduction/furlough days.

29. **Can I receive unemployment benefits to cover the loss of compensation due to the FY2015 Furlough Plan?**

   Based on state and federal unemployment guidelines, the University does not anticipate that any employee will be eligible to receive unemployment benefits to cover the loss of compensation as a result of the furlough.

30. **Do I have grievance rights regarding the FY2015 Furlough Plan?**

   No, the placement of an employee on Admin Leave-Furlough or Furlough Leave does not give rise to any grievance or appeal rights.

31. **If I have additional questions, whom do I contact?**

   Staff in the PHR Service Center are available to assist with questions regarding the FY2015 Furlough Plan. The Service Center may be reached at 301.405.7575.

32. **May I file an appeal?**

   Appeals to the amount of the furlough obligation may be made to Jewel M. Washington, Assistant Vice President for University Human Resources, via email at jmwashin@umd.edu. Appeals will be considered on the basis of:

   - a reduction on base pay that occurred during the FY2015 Furlough Plan
   - expiration of an addition to pay that was included in the computation
   - reduction in FTE
   - or other similar circumstance
SECTION 2. – STAFF (Temporary Salary Reductions)

33. How will my salary be affected during the FY2015 Furlough Plan?

Eligible Staff employees will have their salaries temporarily reduced consistent with the employee’s salary tier shown in the TSR/Furlough Table. Based on the employee’s obligation (shown in days), this temporary salary reduction will be taken in equal installments from the employee’s paycheck in each of the 10 pay periods between January 25, 2015 (pay period 16) and June 13, 2015 (pay period 25). The first paycheck affected by this temporary salary reduction will be February 13, 2015.

34. When do I need to use my Admin Leave–Furlough?

Eligible Staff employees need to use and record their Admin Leave – Furlough day(s) between January 25, 2015 (pay period 16) and June 27, 2015 (pay period 26). Admin-Leave-Furlough days should be recorded on the PHR timesheet by the employee or supervisor.

35. What happens if I separate from campus prior to completing the required number of Admin Leave-Furlough or Furlough days?

Staff employees who separate from campus and have not completed their required amount of Admin Leave-Furlough days will continue to have temporary salary reductions as long as they continue to receive pay.

36. How was my total eligible salary computed to determine my number of days?

To compute the total eligible salary, add the employee’s total state funded/auxiliary (self support) salary to any eligible salary additions (administrative and acting capacity increments, non-teaching overloads, and all other salary addition types). Locate the total eligible salary in the TSR/Furlough Table.

For example:
A full-time staff employee who earns a total salary of $105,000 (state-funded) will have a temporary salary reduction of 2 days spread over ten pay periods, and is required to take 2 Admin Leave-Furlough day before June 27, 2015.

37. How is my total salary reduction amount computed?

1. Determine the daily rate of pay (total biweekly salary/10 = daily rate of pay)
2. Calculate the total salary reduction amount (daily rate of pay x total number of Admin Leave-Furlough Days).
3. Determine the total salary reduction amount per pay period (total salary reduction amount/10 pay periods).

Example 1: A full-time 12-month employee with a total eligible salary of $120,000.00 is required to take 2 Admin Leave-Furlough Days:

$4,602.74 = (total biweekly amount)
$4,602.74/10 = $460.27 (daily rate)
$460.27 x 2 furlough days = $920.54 (total salary reduction amount)
$ 920.54/10 = $92.05 (temporary salary reduction amount per pay period)

38. Is the University of Maryland extending spring break with two campus closure days under this Furlough Plan?

No. Employees will select the days to use their Admin Leave-Furlough Day, subject to supervisory approval.

39. How do I record my Admin Leave-Furlough days?

Admin-Leave-Furlough days should be recorded on the PHR timesheet by the employee or supervisor.

40. If I work 10-hour days, can I use an Admin Leave-Furlough day on my scheduled day off?

Employees who work alternate work schedules must take the furloughs on regularly scheduled work days. An Admin Leave-Furlough day is equal to eight (8) hours. For those employees working more than 8 hours per day, the remaining hours must be recorded using annual leave, personal leave, or nonexempt comp time (if applicable). Work schedules may also be adjusted to accommodate the scheduling of furloughs.

41. Can I work overtime during the same pay period I take Admin Leave-Furlough?

Required overtime may be worked and is paid consistent with current campus procedures.

SECTION 3. – FACULTY (Furlough Days)

42. How will my salary be affected during the FY2015 Furlough Plan?

Eligible Faculty members will have their furlough amount recovered through the use of actual Furlough days, and will have furlough deductions for those days from only the state- and self-support funded portion of the salary, plus the eligible additions to pay. The target number of furlough days will also be based on the state- and self-support funded portion of the salary as of January 16, 2015. Grant and Contract funding will not
be used to determine the number of target furlough days nor the amount of the furlough deductions. Furlough days may be taken in half or full day increments between January 25, 2015 (pay period 16) and May 30, 2015 (pay period 24). The associated salary reduction will occur in a subsequent pay period after the furlough day is taken. Furlough days should be recorded as “Furlough” on the PHR Faculty Leave Record.

43. **How was my total eligible salary computed to determine my furlough obligation if I am a full- or part-time employee?**

To compute the total eligible salary, add the employee’s total state funded/self support salary to any eligible salary additions. Locate the total eligible salary in the TSR/Furlough Table.

For example, a full-time, 12-month faculty member who earns a total salary of $150,000 with $75,000 state funded and $75,000 grant funded with no salary additions will be required to take 1 furlough day.

44. **What if I am partially state-funded and partially grant and contract-funded and I have to take a full furlough day(s)? How do I fulfill my grant obligations?**

Faculty who are partially paid from grants are expected to maintain effort equivalent to their salary proportions. **In general, this means that on furlough days, you are expected to meet research obligations.**

45. **How will my furlough reduction affect my bi-weekly paycheck?**

Faculty will have their bi-weekly paycheck reduced by the amount of furlough leave recorded on a previous pay period’s PHR faculty leave record. Keep in mind that the deductions to pay for faculty furlough are manually created by the employing unit in a subsequent pay period.

For example, a faculty member records eight hours of furlough leave during pay period 17 (2/8/2015-2/21/2015). The employee’s paycheck for pay period 18 (2/22/2015-3/7/2015) should show the reduction in pay.

46. **How is my furlough deduction amount computed?**

The furlough deduction amount under the Furlough Plan is calculated as follows for a full-time, 12-month faculty member with an annual salary of $100,000 of which $75,000 is state supported and $25,000 is grant supported:

1. First, determine the state/self support eligible salary. $75,000 is state supported and furlough eligible.
2. Next, calculate the eligible state salary bi-weekly amount. For example, a state eligible salary of $75,000 divided by a 12 month payroll factor of 26.071428= $2876 bi-weekly.

3. Then, determine the employee’s eligible hourly rate. The hourly rate is determined by the state bi-weekly amount / (Employee FTE x 80). This employee is full-time or 100% FTE. So, $2876/ (100 X 80) = $35.95 (eligible hourly rate).

4. Multiply the eligible hourly rate by the amount of furlough hours entered on the PHR faculty Leave Record. 8 hours X $35.95 = $287.60. So, $287.60 is the deduction amount from the faculty member’s paycheck if they recorded eight hours of furlough leave.

The furlough deduction amount under the FY2015 Plan is calculated as follows for a full-time, 9-month faculty member with an annual salary of $82,000 of which $75,000 is state supported and $7,000 is an administrative increment as a Department Chair:

1. First, determine the state/self support eligible salary. $82,000 is state supported and furlough eligible.

2. Next, calculate the eligible state salary bi-weekly amount. For example, a state eligible salary of $82,000 divided by a 9 month payroll factor of 22= $3,727.27.

3. Then, determine the employee’s eligible hourly rate. The hourly rate is determined by the state bi-weekly amount / (Employee FTE x 80). This employee is full-time or 100% FTE. So, $3,727.27/ (100 X 80) = $46.59 (eligible hourly rate).

4. Multiply the eligible hourly rate by the amount of furlough hours entered on the PHR faculty Leave Record. Eight hours X $46.59 = $372.72. So, $372.72 is the deduction amount from the faculty employee’s paycheck if they recorded eight hours of furlough leave.

47. How does my employing unit manually reduce my salary for my furlough days?

Campus units will be responsible for creating manual pay adjustments on the day(s) furlough is being used, and apply the furlough pay adjustment amount only to the portion of the faculty member’s total eligible salary that is funded from state and/or self-support sources.

48. How do I record my Furlough days?

Faculty members will need to record their faculty leave as “Furlough” days on the PHR faculty leave record, based on the employee’s furlough obligation identified the TSR/Furlough Table. Campus units will need to create manual pay adjustments to deduct those days from the faculty member’s paycheck.

Recording of furlough days for Contractual Faculty (category status 25) must be maintained within their departments.
49. Am I subject to the FY2015 Furlough Plan if I have two appointments – one appointment 100% grant-funded and the other appointment partially grant-funded?

Yes.

50. If I am currently on Sabbatical Leave, do I have to take Furlough days?

Yes. The number of Admin Leave-Furlough days and total temporary salary reduction amount to be taken is based on total eligible salary as of January 16, 2015.

51. If I have additional questions, whom do I contact?

Staff in the PHR Service Center are available to assist with questions on the FY2015 Furlough Plan. The Service Center may be reached at 301.405.7575.