

# Policy 1.65, Temporary Workforce Reduction

## Frequently Asked Questions

---

**APPLICATION:** Full-time, quasi full-time, and part-time **classified** employees.

### FAQS – TEMPORARY WORKFORCE REDUCTION

#### 1. What is a Temporary Workforce Reduction (TWFR) and when is it used?

The Temporary Workforce Reduction (TWFR) policy allows agencies to reduce employees' work hours or place them in a non-working status for a short time to save money or in cases where the workflow is altered by seasonal variations in workload.

TWFR is NOT intended to be used as a preliminary step to a permanent layoff. If the need for budget reduction is ongoing, or if the reduction of the program or service is expected to be permanent, a TWFR may not be appropriate, and Policy 1.30, Layoff, should be considered.

#### 2. How does the agency identify employees for TWFR?

After prioritizing objectives and evaluating resources, managers must determine where staffing reductions would be helpful (the entire agency or only certain programs or units) and whether reductions should be short- or long-term.

If it is determined that the agency's business goals and budget needs can be managed by short-term staff reductions, management must then identify the specific positions to be reduced and the length of time the temporary reduction is expected to last.

Positions must be selected based on duties performed and business need, while ensuring that decisions are made in a non-discriminatory manner. A TWFR is not to be used to address performance issues.

Agencies should carefully evaluate their overall needs for staffing to include contracted services, temporary services, and wage employment before implementing a Temporary Workforce Reduction.

#### 3. Is seniority considered in identifying which employees are to be impacted by the TWFR?

Unlike the Layoff policy, seniority is not a driving factor in identifying which employees' schedules should be impacted.

Determinations must be made based on business need and selections must be made in a non-discriminatory manner.

#### 4. How does the agency decide whether the employees will work reduced hours or will not work at all during the Temporary Work Force Reduction?

This decision is based on the planning activities mentioned above. Rotating the reductions among employees is also an option.

## Policy 1.65, Temporary Workforce Reduction Frequently Asked Questions

---

**5. What happens if, during the period of the TWFR, business resumes, budgetary constraints lessen, and there is a need to recall employees from the workforce reduction?**

Employees who are recalled from TWFR must be returned to the original position/role, schedule and salary held prior to the temporary workforce reduction. Employees should be notified as soon as possible when they will be returned from the furlough.

**6. For how long may the employee's schedule be reduced or may the employee be placed in non-working status?**

A full-time employee's work schedule may be reduced by no more than 690 hours per a 365-day period. Work schedules may be reduced on a continuous or intermittent basis. Work hours may be eliminated completely for one or multiple pay periods.

**7. How is the employee's compensation impacted during a TWFR?**

The employee's pay is reduced on a pro-rated basis that correlates to the percentage of time not worked. **The employee may not use leave balances to supplement the reduced pay.**

**8. May an employee receive unemployment benefits during a TWFR (furlough)?**

The employee should consult with the Virginia Employment Commission to determine Eligibility for Unemployment Compensation benefits. Remember that, because the state is self-insured for unemployment benefits, any benefits granted will be paid by the agency.

**9. Is the employee reinstated to his or her original position at the end of TWFR?**

Yes, the TWFR period is intended for a temporary, defined period. At the end of that time frame, the agency should return the employee to his or her original position.

If the agency has determined during the Temporary Work Force Reduction that a permanent layoff has become necessary, the agency then must apply the layoff policy according to the provisions of Policy 1.30, Layoff.

**10. Can employees on various kinds of leave with or without pay, for sickness/injury or for other reasons, including FMLA, be placed on TWFR?**

Employees on leave, including that designated under FMLA, may be placed on Temporary Work Force Reduction. In general, all employees are equally subject to TWFR regardless of whether they are on leave.

## Policy 1.65, Temporary Workforce Reduction Frequently Asked Questions

---

### **11. Can TWFR be applied to employees out on an approved Workers' Compensation claim?**

Employees on leave because of a condition covered by Workers' Compensation may be placed on TWFR. These employees generally retain their Workers' Compensation benefits.

Agencies should contact the Workers' Compensation office of DHRM as soon as possible, prior to placing an employee who is receiving Workers' Compensation benefits on TWFR, so that benefits can be coordinated accurately.

### **12. How are VSDP benefits affected?**

An employee on Short-Term Disability (STD) can be notified of TWFR; however, while on TWFR, either reduced schedule or not working, the employee continues to receive the VSDP benefit.

While on TWFR and STD, an employee cannot use leave to supplement salary. However, disability credits may be used in 8-hour increments.

The length of time on TWFR counts toward the 180 calendar days (125 workdays) of STD benefits.

### **13. What happens to an employee's leave and other benefits during TWFR?**

During TWFR, an employee's benefits are protected. Since employees are expected to return, leave balances are retained according to usual policies and most leave benefits are retained. Sick leave, for example, may be used for absences during scheduled work time (for an employee on a reduced-schedule due to TWFR).

Leave **accruals** cease in those pay periods when the employee is performing no work. For those working TWFR reduced schedules, leave accruals are pro-rated.

Employees receive full state **service** credit for the TWFR period for annual leave accrual and VSDP purposes.

State contributions to health and life insurance continue for those on reduced schedules and for those NOT working. Employees must pay their share of health insurance premiums, regardless of their status.

### **14. What happens if the original duration of the TWFR needs to be extended due to additional budgetary or work volume constraints?**

The maximum amount of time that an employee's schedule may be reduced is 690 hours during a 365-day period. (This time is pro-rated for less than full-time employees.)

Example: If an employee has been notified that their schedule is being reduced for 320 hours and later the reduction must be extended, the employee must be notified at least two weeks in

## Policy 1.65, Temporary Workforce Reduction Frequently Asked Questions

---

advance of the extension and the remaining reduction may be for a maximum of 370 hours during the 365-day period. Another option may be to place a different employee performing similar work on TWFR. In other words, the work reductions may be rotated to provide a more equitable distribution of the reductions if this meets business needs.

### **15. Can the employee use his or her accrued annual, family personal, compensatory, recognition, or overtime leave to cover the hours reduced?**

No, employees may not use leave to make up for the reduction or to supplement their reduced earnings.

EXAMPLE: An employee scheduled under TWFR to work four 8-hour days a week for two months may not use annual leave to receive pay for the fifth day.

Employees may use appropriate accrued leave for absences **only** during scheduled work time.

EXAMPLE: An employee on TWFR scheduled to work Monday, Wednesday, and Friday for a total of 24 hours weekly. S/He calls in sick on Wednesday. The eight work hours scheduled for that day would be charged to sick leave. If the employee is ill on Thursday, no leave is paid since Thursday is not a scheduled workday.

The agency must retract approval for any part of previously requested leave no longer scheduled as work time because of a TWFR.

### **16. Can an employee get another job within or outside of state government while on TWFR?**

Yes. However, an employee who accepts another job covered by the Virginia Retirement System while on TWFR must resign from the original position.

Employees must still obtain supervisory approval to work a second job.

For employees on TWFR who are receiving VSDP benefits, additional income may impact the VSDP benefit.

### **17. How does TWFR affect an employee's contract for pre-tax purchase of service for retirement credit?**

Employees making a pre-tax purchase of service for retirement should contact the Virginia Retirement System for assistance.