



## TEMPORARY WORK FORCE REDUCTION

### Policy 1.65

#### **Frequently Asked Questions**

**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 – up to four consecutive months – to save money or in cases where the workflow is altered by seasonal variation.

TWFR is NOT 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 on the basis of duties performed and business need, and without regard to the employees' race, color, religion, gender, age, national origin, disability, or political affiliation.

**3. *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.

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

Yes, the TWFR period is intended for a defined period of time and does not continue for longer than four consecutive months. At the end of that time, 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.

**5. *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. The benefits for which they may be eligible may differ as described below. Consult Policy 1.65 or the Chart of Benefits that follows these questions for more information.

**6. *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' Comp benefits. Agencies should contact the Workers' Compensation office of DHRM at least two weeks prior to placing an employee who is receiving Workers' Comp benefits on TWFR so that benefits can be coordinated accurately.

**7. *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 his or her VSDP benefit. While on TWFR and STD, an employee cannot use leave to supplement salary. However, disability credits may be used in 8-credit increments. The length of time on TWFR counts toward the 180 days of STD benefits.

**8. *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, most leave benefits are retained. Sick leave, for example, may be used for absences during scheduled work time (for reduced-schedule TWFR). Accruals generally are prorated during reduced-schedule TWFR. Employees receive full service credit for annual leave accrual and VSDP purposes.

State contributions to health and life insurance continue.

See Chart of Benefits, below, for details.

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

(1) An employee on reduced hours must continue the pre-tax purchase of service if his or her salary can cover the deduction. Employees would have to claim hardship in

order to have the deduction stopped while on TWFR. See below for the process to claim hardship.

- (2) An employee on TWFR whose salary cannot cover the amount of the deduction may choose to let the buy-back wait until the TWFR is over, when pre-tax contributions may resume.
- (3) An employee on reduced or no work hours due to TWFR may claim a hardship and purchase the service in a lump sum with after-tax money. The member should submit a letter to the VRS claiming hardship, and documentation or a letter from the employee containing the following information:
  - 1.) member has a pretax payroll deduction contract and is being placed on TWFR;
  - 2.) estimated beginning date of TWFR;
  - 3.) estimated end date of TWFR; and
  - 4.) whether TWFR is reduced hours or no hours.

Employees making a pre-tax purchase of service should contact VRS for assistance.

**10. *Can the employee use his accrued annual, family and personal, compensatory, 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. For 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 during scheduled work time. For example, an employee on TWFR scheduled to work Monday, Wednesday, and Friday for a total of 24 hours calls in sick on Wednesday. The eight work hours scheduled for that day would be charged to his sick leave balance.

**11. *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.

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

**12. *Is an employee on TWFR eligible for Unemployment Compensation?***

The employee should consult the Virginia Employment Commission to determine eligibility for Unemployment Compensation benefits.