



COMMONWEALTH of VIRGINIA

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MEMORANDUM

TO: Agency Human Resource Directors

FROM: Sara Wilson

SUBJECT: 32-Hour Per Week Classified Employee

The Department of Human Resource Management has received approval that allows health benefits to be offered to classified employees who work at least 32 hours per week. This change provides a new option for agencies to use to help with budget deficits, staff reductions, and recruitment and retention. Effective October 1, 2003, the health benefits eligibility rules expand to include salaried, classified employees¹ who are regularly scheduled to work at least 32 hours per week. This change grants agencies the authority to offer employees the opportunity to **volunteer** for a permanent reduction of their work schedule while maintaining health benefits. This change must meet agency business needs, and employees and management must agree to the reduction in hours and pay. When employees' scheduled hours are reduced, their salaries and leave accrual are reduced accordingly.

A new status of "Q" has been established in PMIS to accommodate the classified employee working 32 hours per week and receiving health benefits. Any agency with classified employees working 32 or more hours per week will be impacted by this change, as these employees will automatically be converted to the new status of "Q" effective October 1, 2003. In addition, DHRM will convert existing classified employees scheduled to work 40 hours per week for 9, 10, or 11 months to this new category. These employees' benefits will not be affected by this PMIS change.

The enrollment period for health coverage and flexible reimbursement accounts will be held for these newly eligible employees during the month of October 2003. Specific instructions for handling the impacted employees have been distributed to your Benefit Administrators by DHRM's Office of Health Benefits. For additional information, visit the DHRM web site.

¹ Faculty employees are not impacted by this change and should continue to be reported in PMIS in an "F" or "P" status.

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With this change, the definition of full-time employee for purposes of health benefits has been expanded to include classified employees working 32 hours per week. The attached chart reflects how this change impacts policy and benefits. If you have any questions, please e-mail policy@dhrm.state.va.us.

Cc: L. R. Pugh



Implementation Procedures for 32-Hour Per Week Classified Employee

PMIS Employee Status	Definition
Classified Employees “F” “Q” “P”	Full-time classified employee (100%) Full-time classified employee <ul style="list-style-type: none"> ▪ 80% to 99.99% employee working 12 months ▪ 100% employee working 9, 10, or 11 months Part-time classified employee <ul style="list-style-type: none"> ▪ 50% - 79.99% employee working 12 months ▪ less than 100% employee working 9, 10, or 11 months.
Policies	
Annual Leave and Traditional Sick Leave Policy 4.10 and 4.55 VSDP – Policy 4.57 Holidays – Policy 4.25 Community Service Leave – Policy 4.40	<ul style="list-style-type: none"> ▪ Annual and traditional sick leave accrual rates will be prorated based on employee percentage of 40-hour workweek. (“Q” and “P”) ▪ Maximum year-end annual leave carryover and payout for all classified employees (“F”, “Q”, and “P”) will be based on years of state service. ▪ Current leave balances will be retained when an employee reduces work hours. (F→Q or P; Q→P; or P→P) <ul style="list-style-type: none"> ▪ Employees in “Q” status will be credited with VSDP leave based on full-time status and months of service. For current 32-hour employees converting to “Q” this change will be effective January 10, 2004. ▪ Current leave balances will be retained when an employee reduces work hours. (F→Q or P; Q→P; or P→P) ▪ STD and LTD benefits will be based on current salary at the time an employee is placed on STD or LTD. <ul style="list-style-type: none"> ▪ Employees will receive pay for each holiday based on percentage of scheduled 40-hour workweek. ▪ Employees whose scheduled days fall on a holiday may receive compensatory leave or be compensated for the holiday based on the pro-rated amount described above. ▪ Employees who must work on a holiday will receive compensation in accordance with policy. <ul style="list-style-type: none"> ▪ Employees with “Q” status and “P” status will be credited with leave based on percentage of scheduled 40-hour workweek.

Policies	
Compensatory and Overtime Leave – Policy 3.10 & 3.15	<ul style="list-style-type: none"> ▪ Current Leave balances will be retained when employees reduce work hours.
Bone Marrow and Organ Donations – Policy 4.37	<ul style="list-style-type: none"> ▪ “F” and “Q” status employees who are non-probationary are eligible to use up to 30 workdays of paid leave at their current salary at the time of leave
FMLA – Policy 4.20	<ul style="list-style-type: none"> ▪ All eligible employees have access to 12 weeks of Family and Medical Leave.
Layoff – Policy 1.30	<ul style="list-style-type: none"> ▪ “Q” employees are considered full-time for purposes of implementing layoff. ▪ 40 hour a week positions can be offered to “Q” employees as placement options. If an offer is declined that does not impact salary or require relocation, the employee will be separated-layoff (Salary is based on the equivalent of a 40 hour work week).
Severance Benefits – Policy 1.57	<ul style="list-style-type: none"> ▪ Employees in “Q” status will be eligible to receive severance benefits including the enhanced retirement option. Severance is based on current salary at the time of layoff.
Hiring – Policy 2.10	<ul style="list-style-type: none"> ▪ Hours of work, if not 40, must be noted on RECRUIT announcements and included in newspaper advertisements. Eligibility for health benefits and flexible reimbursement accounts should be indicated. ▪ Salaries should reflect working less than 40 hours a week. ▪ If agency business needs change, management can increase an employee’s work hours accordingly.
Overtime	<ul style="list-style-type: none"> ▪ When “Q” or “P” status employees who are FLSA non-exempt are required to work extra hours, but they do not work more than 40 hours in the workweek, they should be granted compensatory leave or straight-time pay. FLSA Exempt employees may be required to work extra hours without additional compensation. However, if the need for extra hours is on-going and employees are effectively working full-time schedules, they should be granted compensatory leave, paid straight-time overtime, or returned to “F” status, with a commensurate salary increase.
Retirement	<p>Employees in “Q” status will be eligible to participate in retiree group health care upon retirement if otherwise eligible.</p>

PMIS Transaction Information

- Classified 12-month employees who meet eligibility criteria (80% to 99.9% FTE) and 9, 10 or 11-month employees (100% FTE) will be converted to “Q” status October 1, 2003.
 - Converted 32-hour employees will be eligible to enroll in the State health care and the dependent care flexible reimbursement program.
- Current classified employees working 100% who volunteer and who are approved to reduce their work hours and salary should be converted at the beginning of a pay cycle after October 1, 2003. To effect these changes, use PMIS transaction PSE211, Agency Non-Routine. This transaction will enable the agency to change status and percent. The system will automatically calculate the salary based on the Employee Percent change. There will be no impact on these employees’ health benefits.