



employee relations **BULLETIN**

August 19, 2008

**To: Heads of All Departments (excluding Proprietary Departments)
Departmental Personnel Directors**

**Subject: VOLUNTARY FURLOUGH PROGRAM FOR CIVILIAN EMPLOYEES –
FISCAL YEAR 2008/2009**

Earlier this year, the Mayor announced a number of measures to reduce City expenditures. One of those measures was the implementation of a voluntary furlough program for City employees. Due to the success of this program in reducing salary costs, it is being extended into fiscal year 2008/2009 with the support of the majority of employee organizations.

In order to meet the goal of saving \$3.1 million in the current fiscal year, supervisors should be instructed to approve requests for furlough days unless operational needs preclude them from doing so **or** if the cost of providing a furlough day exceeds the savings to be gained. For example, if granting a furlough day requires another employee to work overtime to perform the duties that would otherwise be completed by the employee taking the furlough day, the furlough day should not be granted. **The attached form must be submitted to the Mayor's Office at the conclusion of each pay period to summarize all furlough request denials.**

To derive maximum cost savings from the program while adhering to Fair Labor Standards Act (FLSA) requirements, the following guidelines and instructions are provided to assist departments with the administration of the voluntary furlough program:

- The program is available to **full-time (72 hours or more per pay period) civilian employees** in all City departments (excluding the Department of Water & Power, the Airport and Harbor Departments, the Los Angeles City Employees' Retirement System, and the Los Angeles Fire and Police Pension System).
- Payroll code "WF" shall continue to be used for the coding of voluntary furlough hours. All days/hours taken under this program must be recorded using this code.
- Eligible employees may request **up to twenty (20) unpaid days** off between July 1, 2008, and June 30, 2009. However, no more than five (5) "WF" days may be taken in any one payroll period (not to exceed 40 hours). Non-exempt (hourly) employees may

take the time off in full-day or hourly increments. Due to FLSA requirements, exempt (salaried) employees must take the time off in full-day increments only. The length of each day is not limited to 8 hours, but is dependent on an individual's work schedule. For example, an employee on a 4/10 schedule may request to take twenty 10-hour furlough days, while an employee on a 9/80 schedule may request to take twenty 9-hour days. In addition, the furlough days should be taken during a pay period when the employee is otherwise fully compensated (there should be no other instances of unpaid time during the pay period).

- Employees should be instructed to request furlough days as they would request vacation or other compensated time off.
- In order to avoid unintended overtime liability, it is absolutely imperative that employees not perform work while on a furlough day. They should also not work additional hours during the workweek to make up for the lost productive time since this defeats the cost savings gained from the furlough hours.
- While employees on probation are eligible to participate in the furlough program, they should be informed that their probationary period may be extended in accordance with Civil Service Rule 5.26.
- Employees on a reduced work schedule of 72 hours are eligible to participate in the furlough program without adversely impacting their benefits.
- In order to ensure that employees receive sufficient compensation to cover their retirement contribution, it is imperative that they have at least 40 hours of compensated time in the pay period in which any furlough days are taken. (Compensated time includes BL, FH, FI, HO, LP, PM, SK, TO, and VC).
- To ensure that unforeseen circumstances do not result in a pay period with less than 40 hours of paid time, employees who have little or no compensated time available should not be scheduled for furlough days until they have actually worked 40 hours in the pay period.

Adherence to the above guidelines will ensure that the utilization of furlough days will have no adverse impact on employees' medical or retirement benefits, salary step advancement, or sick leave and vacation accruals.

In the event mandatory furloughs become necessary during the current fiscal year, employees who have taken voluntary furlough days will receive credit against any days required under a mandatory program.

Any questions regarding this matter should be directed to the Employee Relations Division at (213) 978-7676.

c: Recognized Employee Organizations