

DEPARTMENT OF DEFENSE



Defense Civilian Personnel Advisory Service

**Furlough 2011
Nonappropriated Fund
(NAF)
Questions and Answers**

QUESTIONS AND ANSWERS ON FURLOUGH NONAPPROPRIATED FUND (NAF)

FURLOUGH - GENERAL ADMINISTRATION

1. What is a furlough?

A furlough is the placing of an employee in a temporary nonduty, non-pay status because of lack of work or funds, or other nondisciplinary reasons.

2. Will any NAF employees be furloughed as a result of the government shutdown caused by a lapse in appropriations?

Maybe. The lapse in appropriations may cause a furlough of some NAF employees in morale, welfare, and recreation (MWR) positions that are partially or entirely funded with appropriated funds under the Uniform Funding and Management (UFM) authority. However, most NAF employees are not paid from appropriated funds authorized by annual appropriations, but are instead paid from funds generated by the military exchanges and MWR programs. Those NAF employees will not be furloughed during a government shutdown caused by a lapse in appropriations. However, if the government shutdown leads to a curtailment in business operations, employees not initially affected by a government shutdown for the lack of appropriations may be furloughed for other reasons.

3. Will NAF employees in the military exchanges (Army and Air Force Exchange Service, Navy Exchange Service Command, and the Marine Corps Exchange) be furloughed due to a lapse in appropriations?

No, NAF positions in the military exchanges are not funded by annual appropriations.

4. How will a NAF employee know if he or she is in an MWR NAF position that is subject to furlough if there is a lapse in appropriations?

The employee's supervisor will inform the employee if his or her position could be affected by the government shutdown.

QUESTIONS AND ANSWERS ON FURLOUGH NONAPPROPRIATED FUND (NAF)

The below questions and answers only apply to those NAF employees in NAF MWR positions funded with appropriated funds. Those NAF employees may be subject to furlough if there is a government shutdown due to a lapse in appropriations.

WORK STATUS AND NOTIFICATION

1. Will some employees in MWR positions funded with appropriated funds under UFM be designated as excepted employees who are required to work during the government shutdown?

Yes. Employees who perform functions in activities that are excepted from the shutdown will continue to work during the shutdown, even if their positions receive appropriated funding under UFM. Supervisors will inform NAF employees as to whether their work and responsibilities are in the excepted category.

2. If a NAF employee is furloughed, how will he or she be notified?

NAF employees will be informed through their chain of command if they are subject to furlough because of a government shutdown. Due to the emergency nature of a government shutdown, requiring immediate curtailment of DoD activities, advance notification will not be possible.

3. May a NAF employee volunteer to do his or her job on a non-pay basis while furloughed due to the government shutdown?

No.

4. How will a NAF employee know when to come back to work?

Return to work guidance will be provided by the employee's chain of command. Additionally, NAF employees who are furloughed due to the lapse in appropriations should listen to public broadcasts and check official DoD or Office of Personnel Management websites for information pertaining to the status of the FY 2011 appropriations. Generally, employees will report to work on the next regular duty day, following extension of a continuing resolution, or approval of FY 2011 appropriations.

QUESTIONS AND ANSWERS ON FURLOUGH NONAPPROPRIATED FUND (NAF)

PAY

1. Will NAF employees who are furloughed due to the lapse in appropriations get paid for the time they are not at work?

Congress would have to provide the authority to retroactively pay furloughed employees.

2. Will NAF employees designated as excepted who work during the furlough be paid?

Yes. NAF employees whose positions are funded with appropriated funds through UFM, but who are not furloughed because they perform activities excepted from the shutdown, will be paid when funds become available.

3. Will NAF employees designated as excepted be permitted to earn premium pay (e.g., overtime pay, Sunday premium pay, night differential) during the furlough period?

Yes, NAF employees designated as excepted employees who meet the conditions for premium pay will be entitled to payment in accordance with applicable laws and DoD NAF and Component rules, subject to any relevant payment limitations. Premium pay may be earned but cannot be paid until funds become available.

4. May a NAF employee designated as an excepted employee be permitted to earn compensatory time off during the shutdown period?

Yes. With management approval, NAF employees designated as excepted employees may earn compensatory time off in accordance with the NAF Employer provisions regarding compensatory time off. NAF employees will not be permitted to use earned compensatory time off during the shutdown period.

LEAVE

1. What happens if a furloughed employee is scheduled to be on annual or sick leave during the furlough period?

Upon furlough, all scheduled leave is canceled (annual leave, sick leave, or other). An employee who is furloughed may not be placed on annual or sick leave.

2. Does a NAF employee continue to accrue annual and sick leave while out on furlough?

No. NAF employees do not accrue annual or sick leave while in a non-pay status.

QUESTIONS AND ANSWERS ON FURLOUGH NONAPPROPRIATED FUND (NAF)

3. May NAF employees who are in UFM positions, but who are excepted from the shutdown, be granted paid leave?

No. If an excepted employee is unavailable to be at work and perform the duties determined by the employing agency to be allowable activities, the employee must be furloughed.

4. What happens to employees on leave-without-pay (LWOP) under Family Medical Leave Act (FMLA)?

Furloughed employees on LWOP under FMLA continue to be charged LWOP for the period of family medical leave. However, if the employee was scheduled to take paid leave under the FMLA instead of LWOP, the paid leave is cancelled and the employee is placed on furlough. If the paid leave is cancelled, the period of absence may not be used to reduce the 12-week entitlement to FMLA leave.

HEALTH BENEFITS

1. May a NAF employee who is furloughed continue to participate in the NAF Health Benefits Program (HBP)?

Yes. Benefits for medical and dental coverage may be continued up to twelve months, provided the employee pays the required employee share of the premium. NAF employees should contact the servicing NAF Human Resource Office for information and instructions on premium payment procedures.

GROUP LIFE INSURANCE

1. May a NAF employee who is furloughed continue participation in their NAF employer's NAF Group Life Insurance plan?

Yes. Furloughed employees may elect to continue paying life insurance premiums. Group life insurance coverage varies among the Components depending on the provisions of the particular NAF employer's plan. NAF employees should contact the servicing NAF Human Resource Office for information on Group life insurance.

QUESTIONS AND ANSWERS ON FURLOUGH NONAPPROPRIATED FUND (NAF)

RETIREMENT

1. What happens to an employee's NAF retirement and 401(k) plan during a furlough?

Retirement coverage and provisions vary depending on the NAF employer. Since the various NAF employers each offer their own retirement programs, employees in a non-pay status should check with their servicing NAF Human Resource Office (or NAF Component contact number below) regarding creditable service and deposit contributions.

Department of Army: 877-384-2340

Department of Air Force: 800-435-9941

Department of Navy (CNIC): 866-827-5672

Navy Exchange Service Command (NEXCOM): 866-878-1776

United States Marine Corps: 877-211-1518

Army and Air Force Exchange Service (AAFES): 800-508-8466

2. What happens to a NAF employee's 401(k) loan if he or she is furloughed?

The employee is responsible for making loan payments while in a non-pay status in order for the loan not to default. Loan program provisions must meet IRS requirements and vary by sponsoring NAF employer. Questions about individual NAF 401(k) benefits should be addressed to the appropriate NAF Human Resource Office or respective NAF 401(k) plan administrator.

3. What happens to a NAF employee's CSRS/FERS retirement plan (elected following a move from civil service to NAF) while the employee is on furlough?

Employees who made a portability of benefits election to retain enrollment in CSRS or FERS and TSP are subject to the applicable plan's rules regarding deductions during periods of non-pay status. Retirement plan coverage continues for up to six months for periods of non-pay status per calendar year. Employees cannot contribute to their TSP account while on furlough. Employees should contact their local NAF Human Resource Office or NAF Component for information.

QUESTIONS AND ANSWERS ON FURLOUGH NONAPPROPRIATED FUND (NAF)

WORKER'S COMPENSATION

1. What happens to NAF employees who are receiving benefits under Longshore and Harbor Workers' Compensation Act (LHWCA) during a furlough?

Employees who are receiving benefits under worker's compensation must be notified in writing if their position is identified as being furloughed. Workers' compensation benefits continue for eligible employees; however, there is no leave supplement available during a furlough. NAF employees may contact their Component's worker's compensation office for assistance.

Department of Army: 877-384-2340

Department of Air Force: 800-828-3065 or 800-435-9941

Department of Navy (CNIC): 877-414-5358 or 866-827-5672

Navy Exchange Service Command (NEXCOM): 757-440-4579 or 866-878-1776

United States Marine Corps: 877-211-1518

Army and Air Force Exchange Service (AAFES): 800-508-8466

UNEMPLOYMENT INSURANCE

1. Are NAF employees who are furloughed eligible to apply for unemployment compensation?

Maybe. Employees who are placed in a non-pay status may be eligible to receive unemployment compensation. Affected employees should be provided with a SF-8 Notice to Federal Employee about Unemployment Insurance and advised to contact the State Public Employment Service Office. For further information, see the Department of Labor website "Unemployment Compensation for Federal Employees" at <http://workforcesecurity.doleta.gov/unemploy/unemcomp.asp>

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LONG TERM CARE (LTC) INSURANCE

1. What happens to a NAF employee's Long Term Care (LTC) insurance coverage during a furlough?

Furloughed employees may elect to continue paying long term care insurance premiums. LTC insurance coverage varies among the Components depending on the provisions of the particular NAF employer's plan. NAF employees should contact the servicing NAF Human Resource Office for information.

FLEXIBLE SPENDING ACCOUNT (FSA)

1. What happens to a NAF employee's Flexible Spending Account (FSA) during a furlough?

Flexible Spending Accounts provisions vary among the Components depending on the provisions of the particular NAF employer's plan. NAF employees should contact the servicing NAF Human Resource Office for information.