

## Questions and Answers

### OVERALL EXCEPTIONS PROCESS

#### **How did you determine exemptions?**

We have made some general assumptions about who is likely to be excepted from furlough.

For example:

- All employees deployed (in a Temporary Duty status) or temporarily assigned (to include Temporary Change of Station) in a combat zone in order to avoid harm to war efforts.
- All employees funded by non-appropriated funds (NAF). Furloughing Employees in this category would not reduce the DoD budget and so would not assist in meeting sequestration reductions.
- All Outside Contiguous United States foreign national employees, many of whom are subject to Status of Forces Agreements, are excepted from furloughs because their situations vary greatly by country/region.
- Additionally, we are considering exceptions for safety of life/property
  - ✓ The exceptions approved for the safety of life and protection of property category are granted with the understanding that these are the minimum exceptions needed to maintain operations and provide security on a 24/7 basis.
  - ✓ Similarly, the exceptions for the medical category are approved with the understanding these exceptions preserve the minimum level of personnel needed to maintain quality of care in 24/7 emergency rooms and other critical care areas such as behavioral health, wounded warrior support, and disability evaluation. Furloughing these employees would result in an unacceptable level of care being provided, and the Department would incur increased costs for premium pay or TRICARE.
- The Department will continue to follow all of the government wide rules pertaining to the administrative furlough process
- Our nearly 800,000 defense civilians perform critical functions like maintenance, intelligence, logistics, contracting, and health care... We are greatly concerned that furloughs will substantially harm our ability to reset and restore the force's full-spectrum combat capability after over a decade of hard fighting in Iraq and Afghanistan.
- In July 2012, the President indicated that he would exercise his authority in law to exempt military personnel funding. Accordingly, military pay and monetary benefits will not be affected by sequestration; military personnel will not be furloughed.
- Given the on-going continuing and overall budget uncertainty, DoD has already taken a number of steps to reduce spending:
  - Most services and defense agencies have begun instituting civilian hiring freezes,

with exceptions for mission-critical activities. A hiring freeze disproportionately affects veterans, who make up 44 percent of the DoD civilian workforce, and it will be felt across the nation, since 86 percent of DoD's civilian jobs are outside the Washington, D.C. metro area.

- Most services and defense agencies have begun laying off most of our 46,000 temporary and term employees, again with exceptions for mission-critical activities.
  - Most services and defense agencies are curtailing facilities maintenance. More than \$10 billion in funding— mostly to contractors and small businesses—is affected, translating into lost jobs in the private sector.
- It will take time before the full effects of these furloughs will be apparent. We are doing everything within our power to minimize adverse effects on our national security mission.

#### **Why have you waited so long to make a furlough decision?**

- We wanted to revise planning to take full advantage of changes in appropriations bill enacted in March. We also gave ourselves time to “scrub” our budget in order to minimize furloughs.

#### **How did HR 933 help you?**

- The DoD appreciates the passage of HR933. It provides us limited flexibility to evaluate the mission requirement against resources available and make adjustments that preserve mission and support the warfighter.

#### **How much will your furlough policy save? Can't you get those savings elsewhere?**

- We will save about \$1.8 billion from the furloughs that the secretary announced, taking into account planned exceptions. That is a small fraction of the total sequestration cut of \$37 billion. However, we have already made large cuts in the operating budgets including sharp cuts in training and maintenance, cuts that are seriously harming readiness. We would have had to make even more cuts in readiness accounts to avoid furloughs, which would heighten the already substantial risk sequestration poses to our national security.

#### **Why haven't we heard anything about the effects of sequestration in DOD? Has it really turned out not to be a “big deal?”**

- If you haven't heard about the serious adverse effects, then you are not listening. We have sharply cut back on training and maintenance:
  - Army has terminated most remaining training at its combat centers, which are culminating training events, and stopped many other training activities. Many non-deployed units will be below acceptable readiness by year's end – a problem if a new contingency arises.
  - Air Force has stopped flying (or soon will stop flying) at 12 active, combat-coded squadrons. Except for deployed and next-to-deploy units, many will soon be below acceptable readiness levels by year's end – jeopardizing our ability to provide a quick military response to an emergency.

- Navy has cut back on training and deployment. Not that we have one fewer carrier strike group in the Gulf than planned.
- We have implemented a hiring freeze, made cuts in facility maintenance and repair and have canceled key public engagements, including air shows. And now we are implementing furloughs, which will harm both morale and productivity and mission accomplishment. Without question, sequestration and related wartime problems are causing major harm in DOD.

**How did you make the detailed decisions about who to furlough and how long to furlough?**

- The law, of course, requires specific budget cuts, and we are taking a variety of steps – cuts in training, cuts in facilities maintenance, furloughs – to meet them. We have chosen among these various approaches based on a simple criterion: minimize adverse effects on mission, especially near-term readiness. The secretary carefully considered the numbers and looked at a variety of options. He also considered advice and inputs from his senior leaders before deciding on furloughs. We are directing furloughs because, if we did not, we would have to make even larger cuts in training and maintenance – cuts that we judged would heighten the already significant risk that sequestration poses to our national security.

**Some agencies and organizations indicate that they could avoid furloughs. The Navy, for example, has openly said it does not need to furlough but you are apparently directing them to do so. Why?**

- Our criterion is to minimize adverse effects on mission and, subject to that criterion, ensure consistency and fairness across DOD. If some agencies are in better financial shape than others, we will seek – to the extent permitted by law – to shift money so that we can minimize readiness and productivity cuts across the DOD enterprise and so minimize adverse effects on our mission.
- The sequester bill is a Department-wide challenge. Thus we took a department-wide approach to ensure that across the department to mitigate an adverse impact to readiness and mission accomplishment. This required a uniform approach to furloughs as a result.
- For every dollar we spent to prevent the possibility of furlough is a dollar taken out of another account; impacting readiness and support.

**Many members of Congress have urged that you not furlough. You seem to have ignored their advice. Do you think they will support your decision today?**

- None of these decisions was easy, and most of them will have opponents on the Hill. That said, the law has imposed sequester cuts and has told us what accounts and projects must be. Within that framework, it is our job to implement the law passed by Congress. We have looked at all options to meet these cuts and believe one option must, unfortunately, be furloughs. We will do everything we can to explain our actions to Congress, and we hope they will understand and accept our approach.

- Civilian pay is more than a third of operating budgets, and we are already having to hit training harder than we would want to. As we make these budget decisions, we have to limit the adverse effects to our mission and readiness.

**Describe a situation that could lead to the elimination of furloughs.**

- If Congress would immediately dettrigger sequestration and restore a significant portion of our FY13 funding – that would eliminate the need for furloughs.

**What will happen October of this year – and beyond in FY14?**

- We are currently executing our FY13 budget with sequestration. No decisions have been made on how sequestration will effect operations and personnel management in FY14.
- Our fervent hope remains that Congress will dettrigger sequestration.

**Will there be a RIF?**

- As we have said, if sequestration continues in FY14 then we will need to look at a range of personnel management tools in order to manage the sharply reduced budget. No decisions have been made.

**How will military personnel be affected by furloughs?**

- In addition, the President has stated that Military Personnel Accounts (MPAs) will be exempted from the cuts mandated by sequestration, so the currently programmed downsizing is not expected to be impacted through FY 2013.
- DoD has plans already in place for downsizing the force as a result of realigned requirements and commitments.
- This drawdown was a result of revised requirements which are completely separate from the potential of any additional budget cuts due to sequestration.

**Will troops be expected to assume new functions currently managed by civilians, to include gate guard, dining facility management, and landscaping? What about augmenting Pentagon Force Protection Agency?**

- The services are working through the specific effects of furloughs on their operations.
- We will protect activities directly related to life, safety, and security.

**What is a furlough?**

- A furlough places an employee in a temporary non-duty, non-pay status because of lack of work, reduction or lack of funds, or other non-disciplinary reason.
- Under the current circumstances, planned furloughs may be required due to the reduction in funding associated with sequestration.
- Extensive information is available at [www.opm.gov/furlough/](http://www.opm.gov/furlough/), click on “Guidance for Administrative Furloughs” and “Supplemental Guidance for Administrative Furloughs.”

- Regrettably, under sequestration we will be forced to enact unpaid furloughs of our valued appropriated fund civilian workforce beginning July 8, with expected reductions in their morale and effectiveness. Most employees will be furloughed 1 day a week for the last 12 weeks of the fiscal year, equating to a 20 percent cut in their pay for those weeks.

**Will contract companies enact contractor furloughs?**

- Most contracts are fully funded at the time of award, so sequestration will have no impact on these contracts or on the ability of contractors to pay employees.
- Incrementally-funded contracts may require modifications to address future funding limitations resulting from sequestration. Contracting Officers will recommend contract changes depending upon the size and nature of the affected contracts while complying with all applicable provisions in the Federal Acquisition Regulation and the DoD FAR Supplement.
- Once a contract is signed and executed, our intent is to continue to make payments. Sequestration reduces our authority to obligate but generally does not affect our ability to make payments.
- DoD has no knowledge of how contractors may react to a possible contract modification.
- Any actions will take into consideration our obligation to execute our core mission, and will be consistent with applicable legal requirements, including the specific terms and conditions of each contract.
- We will work to provide contractors the most timely and clearest information possible as events continue to unfold.

**During past government shutdowns in 1995 and 1996, furloughed civilians were paid retroactively. What are bosses telling employees this time?**

- Sequestration and resulting furloughs will affect the civilian workforce differently than a lapse of appropriations (government shutdown).
- There is no provision for employees to receive retroactive compensation at this time.
- Employees should not plan to receive retroactive compensation.

## **CATEGORICAL EXCEPTIONS ACROSS DOD**

### **How many people are being furloughed/expected?**

- There are about 800K appropriated fund and foreign national civilians paid by DoD. Once detailed exceptions are promulgated, we will need to make revisions. At the moment, we expect exceptions to be about 10% of U.S. direct hire employees, rising to 15% if one includes foreign national employees – small but significant fractions. These numbers do not include figures for personnel funded with National Intelligence Program (NIP) dollars; some NIP employees are included in DOD totals but furlough policies for those personnel are determined by the Director of National Intelligence.
- Our baseline for DoD is ~ 800K employees
  - (Note: ~ 750K APF and ~ 50K Foreign Nationals).
  - (Note: NAF not included; ~ 131K)

### **Are there any civilians who are exempt from furloughs?**

- Yes, several categories. Details are identified in the secretary's memo. Examples include:
  - Civilians deployed to combat zones
  - Civilians necessary to maintain safety of life and protect property
  - Shipyard workers because of long-term effects of delays in nuclear ship maintenance
  - Foreign national employees, many of who are paid by foreign governments.

### **Are intel personnel being furloughed?**

- Furloughs of personnel funded through the National Intelligence Program (NIP) will be determined by the Director of National Intelligence. Personnel funded by the Military Intelligence Program (MIP) will be furloughed.

### **Why are foreign nationals are excepted?**

- Foreign nationals are generally excepted because they are covered by unique Status of Forces agreements – each one is different.
- Also, in many cases, they are paid for by host nation funds – this does not impact the sequester bill or its liquidation.

### **Who is being exempted?**

- We granted broad exceptions in the following categories
- All employees deployed (in a Temporary Duty status) or temporarily assigned (to include Temporary Change of Station) in a combat zone in order to avoid harm to war efforts.
- In an effort to meet operational intelligence needs and wartime tasking, some civilian personnel funded through the National Intelligence Program (NIP) will be determined by the Director of National Intelligence.

- Foreign Military Sales (FMS) employees whose positions are exclusively funded from FMS Administrative and FMS case funds (case number may be required to validate funding source) and from Foreign Military Financing accounts are excepted from furloughs.
  - Furloughing employees in this category would not reduce the DoD budget and so would not assist in meeting sequestration reductions.
- All employees funded by non-appropriated funds (NAF).
  - Furloughing Employees in this category would not reduce the DoD budget and so would not assist in meeting sequestration reductions.
- All Outside Contiguous United States foreign national employees, many of whom are subject to Status of Forces Agreements, are excepted from furloughs because their situations vary greatly by country/region.
- Any employees who are not paid directly by DoD (051 function) accounts or funds that are included in the National Defense function (050) of the Budget for FY 2013 are excepted from furloughs.
  - For example, this would include employees funded by the Arlington National Cemetery (705 function) and DoD Civil Works (various non-051 functions) programs. Furloughing these employees would not reduce the DoD budget and so would not assist in meeting sequestration reductions

**How many people are being exempted?**

- Exceptions are related to safety of life and property; health care and CDCs
  - ✓ The exceptions approved for the safety of life and protection of property category are granted with the understanding that these are the minimum exceptions needed to maintain operations and provide security on a 24/7 basis.
  - ✓ Similarly, the exceptions for the medical category are approved with the understanding these exceptions preserve the minimum level of personnel needed to maintain quality of care in 24/7 emergency rooms and other critical care areas such as behavioral health, wounded warrior support, and disability evaluation. Furloughing these employees would result in an unacceptable level of care being provided, and the Department would incur increased costs for premium pay or TRICARE.
  - ✓ The exception for Child Development Centers is granted with the understanding that this is the minimum level needed to maintain accreditation and maintain quality care for children in military families.

## **SPECIFIC EXCEPTIONS (DODEA, DECA TRICARE)**

### **DOD depots have backlogs that eliminate the need for furloughs. Are you imposing furloughs on them and if so, why?**

- We will furlough depot workers (except for workers in the four public naval shipyards). While some depots do have backlogs, their size varies and may well decline as we cut back maintenance funding. Had we not furloughed, we would have run the risk of having workers without work in some depot lines, and we cannot afford that in these budget-constrained times. The services will work to adjust depot loads so that we get as much work done as we can afford.

### **You have decided to furlough depot workers but not workers in public shipyards. How can that make sense?**

- Government workers in the Navy's public shipyards perform maintenance on nuclear ships. Given the lengthy time to repair those ships, the need to conduct regularly scheduled maintenance to maintain full service life, and their relatively small numbers and high deployment rates, we judged that we should not delay their maintenance – thereby creating a backlog that would be particularly difficult to address.
- Ship maintenance and subsequent deployment schedules are among the department's most carefully planned and most problematic to disrupt activities. They are scheduled years in advance. If one ship misses or delays its turn in the yard, it can disrupt not only the maintenance of that particular ship but the schedule for the maintenance of the next ship and the ship after that. When ships go into and come out of maintenance is directly connected to their deployment schedules. No other class of maintenance activity has such far-reaching impacts.
- We would prefer not to delay other maintenance performed by depot workers but, given limits on budgets, we felt that we had to accept some delays in most maintenance activities.

### **How does the furlough impact DoDEA?**

- DoDEA personnel will be furloughed for 5 days beginning at the start of the 2013-2014 school year..
- There will be no instructional loss for School Year 2012-2013. Schools will remain open and in full operation.
- DODEA seniors will graduate with a full year of academic credit.
- DoDEA's goal throughout furlough-planning is to preserve the accreditation of its schools and insure a quality education for all of its students.
- DoDEA teachers are not exempt from furloughs under sequestration.



- To ensure students' safety and to maintain an acceptable level of quality and compliance, schools will be closed on furlough days.
- DoDEA is not doubling up on classrooms.
- Any furlough planning for School Year 2013-2014 will provide for a full-year of academic credit for students and maintain school accreditation standards.
- The 2013-2014 school year will begin on time. Furlough days if required will be taken during the remaining pay periods through September.
- As of this point in time:
  - Summer school will be conducted in DoDEA schools.
  - Spring sports programs will be conducted and some events and schedules may have to be adjusted due to possible furlough days.
  - AP exams and end-of-year and end-of-course exams will be given.

**How will furloughs impact commissaries?**

- Commissary employees are subject to furloughs.
- Furloughs may result in commissaries closing 1 day a week. DECA headquarters will work with local stores to determine the specifics of furlough implementation.

**How will family programs be affected?**

- Family programs are extremely important to us and contribute to the readiness of the Force.
- We attempted to minimize the impact of furloughs to the greatest extent possible.
- Child development center employees are generally exempted from furloughs.

**How will furloughs impact health care provided by military treatment facilities?**

- Active duty care is an absolute priority and will be preserved.
- No matter what the following MTF activities would likely not be impacted:
  - Inpatient care and attendant maintenance of patient medical records
  - Acute and emergency outpatient medical and dental care
  - Emergency response capability
  - Outpatient clinics and ancillary services to support walk in patients
  - Follow up and management of existing conditions
  - Emergency counseling and crisis intervention intake screening/referral services
  - Suicide and substance abuse counseling
  - Dental Class 4 care
  - Private sector care under TRICARE (to include referral management)
  - Certification of eligibility for health care benefits

- Appointing function
- All aspects of wounded warrior care
- All pre-deployment related medical and dental readiness activities
- Immediate post-deployment medical and dental care
- All aspects of expeditionary medical care
- TDYs in support of named operations
- Foreign humanitarian assistance in response to disaster or other crises posing an imminent threat to life
- Contracting, contract administration, and logistics operations in support of exempt activities (medical logistics)
- Activities required to contract for and distribute items as authorized by the Feed and Forage Act to include medical and hospital supplies (medical logistics)
- Activities necessary to control funds, record new obligations incurred in the performance of exempt activities, and manage working capital funds (RMO)

**How will furloughs impact on-base housing?**

- Government-owned housing: it is likely that some repair work will have to be deferred and response-times to routine maintenance requirements will be delayed. The services will prioritize the most urgent requirements which will translate to reduced service levels for military families.

**How will furloughs impact exchanges?**

- Exchanges will remain open and continue to operate, but how operations will be affected will have to be determined by the individual exchange commanders.

**How will furloughs impact mail?**

- DoD civilian personnel furloughs may result in reduced services at military post offices overseas, including longer wait times and fewer customer mail options.

**How will furloughs impact health care for military families?**

- Family care is a high priority, and we will make every attempt to maintain access.
- However, we foresee reduced availability of military health care to some retirees and family members.
- Our goal is to minimize any disruption in the care we provide.

**How will furloughs impact childcare?**

- Child development center employees are generally exempt.

## **FURLOUGH TIMELINE AND MECHANICS**

### **What is the schedule for furloughs?**

- Furlough proposal notices will go out starting May 28. Components will issue furlough decision notices in late June/early July. Furloughs will begin July 8.

### **How are employees notified?**

- To the greatest extent possible, employees will be notified of a furlough in writing, hand-delivered to the employee by the immediate supervision.
- While this is our preference, if not available in person, notifications will be mailed by certified/return receipt to their home address of record.
- Email is also an option.
- Alternate means of delivery will be employed if necessary.

### **What does it mean that there is a "reply" period?**

- Employees are given at least seven calendar days to answer orally and/or in writing to the proposal notice and furnish documentary evidence in support of his or her answer, e.g., relief from the furlough.
- The employee develops their own package.
- The “Deciding Official” reviews the merits of each package and provides a decision whether to proceed with furlough.

### **Who is the “deciding official?”**

- Generally, the local installation-level commander or equivalent is the deciding official.

### **How do employees appeal these exemption decisions?**

- OPM rules apply.
- **IF PRESSED:** Generally, an employee may appeal or grieve as follows:
  - For furloughs less than 22 days, an employee covered by a negotiated grievance procedure must use the negotiated grievance procedure.
  - Otherwise, an employee may appeal to the Merit Systems Protection Board.

### **What do furlough letters say?**

GENERALLY, the letters outline the basics of the furlough:

- Time period/duration of furlough (The furlough will be discontinuous beginning on [date], for no more than [number of days]).
- Employees may request a specific furlough schedule; however, the department’s approach has generally been 1 day a week, 2 days per pay period.

- Employees will be allowed seven calendar days from receipt of letter to respond orally and/or in writing.
- Employees have the right to be represented by an attorney or person. If employee is in a paid status, they will be allowed up to 4 hours of official time to develop a response to the notice (subject to supervisor approval and collective bargaining agreements.)

**How have we engaged the unions – to date and going forward?**

- We have followed all of obligations under the law.
- DoD has engaged in several telecons with unions to describe the status of the furloughs, and the process for implementing furlough throughout DoD, to include notional timelines.
- Based on DoD guidance provided to components/agencies, local managers have engaged in collective bargaining with the unions.

**Can a supervisor require an employee working on something deadline driven or sensitive to continue to work?**

- No, supervisors will manage the workload of their organization to ensure that furloughed employees are not providing their services in compliance with federal law.
- Please see OPM’s “Guidance for Administrative Furloughs” available online

**May furloughed employees volunteer to work on a non-pay basis during any hours or days designated as furlough time off?**

- No, unless otherwise authorized by law, an agency may not accept the voluntary services of an employee. (See 31 U.S.C. 1342).
- Furloughed employees will not be authorized to work remotely or off-site, to respond to DoD-provided digital devices, or conduct official business during each furlough period.
- Furloughed employees will not visit their worksite beyond a quick visit to retrieve personal items as necessary.
- Please see OPM’s “Guidance for Administrative Furloughs” available online

**Can an employee choose when to be furloughed?**

- Generally, furloughs will be no more than 11 discontinuous work days (88 hours), and will be spread over maximum months at no more than 16 hours per pay period.

**What are the notification requirements for a planned furlough of the length DOD is contemplating?**

- There are specific processes and notice requirements for planned furloughs, which vary depending on the duration of the furlough.

- For non-SES employees, if the furlough is 30 continuous calendar days or less, or 22 or fewer discontinuous workdays, the furlough is processed using adverse action procedures, with notices as follows:
  - 45-day Congressional report prior to implementation of the furlough (10 USC 1597(e));
  - Reasonable advance union notice, with time to bargain (5 USC chapter 71);
  - 30-day employee notification
- For SES Employees, if the furlough is 30 days or less:
  - 45-day Congressional report prior to implementation of the furlough (10 USC 1597(e));
  - 30-day employee notice for Career SES;
  - 1-day notice for non-Career SES

**Could employees who are on long-term temporary duty (TDY) be furloughed? If so, who controls the furloughing – the organization paying the salary or the organization to which they are TDY?**

- During a furlough, each activity will determine the status of their employees on long term temporary duty (TDY) consistent with the administrative furlough guidance for exceptions and availability of funding in the organization paying the salary.

**Can individuals on Intergovernmental Personnel Act (ipa) agreements be released like term and temporary employees? Can they be furloughed? Should they be released or furloughed?**

- The specific authority for furloughing personnel who are working under mobility agreements pursuant to the Intergovernmental Personnel Act (IPA), either inside the Federal government or with other organizations, depends on the nature of individual agreements, the status of the appointments, and/or the funding arrangements for the assignments. As a general rule, the following principles are applicable in determining whether to furlough personnel on IPA mobility assignments:
  - Personnel from non-Federal organizations on appointments to the Federal government are subject to furlough in the same manner as other employees.
  - Personnel on detail to Federal agencies from non-Federal organizations may continue working, provided that the non-Federal organizations pay the total costs of the detail.
  - Personnel on detail to Federal agencies from non-Federal organizations that share part of the costs of detail may continue to work if the Federal portion of the cost was obligated from prior appropriations at the time of the IPA mobility agreements. In the event that a furlough takes place during a time for which no funds are appropriated, the assignment should be terminated.
  - Personnel on detail to Federal agencies from non-Federal organizations that do not pay or share the costs of the detail are subject to furlough in the same manner as other employees.

**Will employees continue to receive reservist differential payment (5 u.s.c. 5538) if they are affected by an administrative furlough from the federal civilian position while on active duty?**

- It depends. In computing a reservist differential, the employing agency must compare the employee's projected civilian basic pay to the allocated military pay and allowances for

each civilian pay period. If an employee is affected by a furlough from his or her Federal position while on active duty, the employing agency must reduce the employee's projected civilian basic pay during any pay period in which furlough time off occurs. If the allocated military pay and allowances are greater than or equal to the projected civilian basic pay adjusted for furlough time off, no reservist differential is payable for that pay period. If the projected civilian basic pay (as reduced to account for furlough time off) is greater than the allocated military pay and allowances, the difference represents the unadjusted reservist differential.

**Can employees be furloughed on federal holidays?**

- Yes. Employees may be furloughed for periods of time that include federal holidays. However, an agency should select the furlough days off on programmatic and administrative grounds that are unrelated to the fact that the period includes a holiday. For example, an agency may not properly furlough employees for a 3-day period, the middle of which is a holiday, for the sole purpose of saving three days' pay while losing only two days of work. (See Comptroller General opinion B-224619, August 17, 1987.) Nor would it be proper to furlough an employee solely on a holiday. (See Comptroller General opinion B-222836, May 8, 1986.)
- During the proposed furlough period April 23 to Sep. 21, there is one federal holiday: Labor Day observed on Sept. 2
- Please see OPM's "Guidance for Administrative Furloughs" available online.

**If employees have a designated administrative furlough day off on the last workday before a holiday *or* the first workday after a holiday (but not on both days), will they be paid for the holiday?**

- Yes. The general rule is that an employee is entitled to pay for a holiday so long as he or she is in a pay status on either the workday preceding a holiday or the workday following a holiday. The employee is paid for the holiday based on the presumption that, but for the holiday, the employee would have worked.
- A holiday should not be the first or last day of the period covered by a furlough. During the proposed furlough period April 23 to Sep. 21, there is one federal holiday: Labor Day observed on Sept. 2
- Please see OPM's "Guidance for Administrative Furloughs" available online.

**If employees have a designated administrative furlough day off on the last workday before a holiday *and* the first workday after a holiday, will they be paid for the holiday?**

- No. If a furlough includes both the last workday before the holiday and the first workday after the holiday, the employee is not entitled to pay for the holiday because there is no longer a presumption that, but for the holiday, the employee would have worked on that day. (See Comptroller General opinion B-224619, August 17, 1987.)

- Agencies that allow employees to choose their furlough days off should explain that the employee will not be paid for the holiday if the employee chooses to take furlough day off both before and after the holiday. During the proposed furlough period April 23 to Sep. 21, there is one federal holiday: Labor Day observed on Sept. 2
- Please see OPM’s “Guidance for Administrative Furloughs” available online.

**Will furloughs affect completion of a probationary period?**

- Any non-pay time (which includes furlough, leave without pay, absence without leave, and suspension) in excess of 22 workdays extends the probationary period by that number of days.

**Are furloughed detailees returned to their home agencies following any furlough?**

- Detailed employees remain officially assigned to their permanent positions during the detail. During a furlough, each agency/activity will determine the status of their employees on detail within the agency/activity or to another agency/activity.

**May furloughed personnel work elsewhere awaiting recall?**

- While on furlough, individuals remain employed by the Federal Government; therefore, standards of ethical conduct and rules regarding outside employment are applicable (5 CFR 2635).
- Additionally, there are specific statutes prohibiting certain outside activities, and there may be agency-specific supplemental rules requiring prior approval of, and sometimes prohibiting, outside employment.
- Before engaging in outside employment, employees should consult their agency ethics official.
- Yes, civilian healthcare insurance premiums and claims will be paid in full and on time, and benefits will continue for furloughed employees.
- The employee’s share of the premium payment will accumulate and be withheld from pay upon return to pay status.
- Please see OPM’s “Guidance for Administrative Furloughs” available online.

**While an employee is furloughed, are they free and clear of any official or work-enforced obligations they agreed to as a condition of their employment, such as the Hatch Act?**

- While on furlough, individuals remain employed by the Federal Government; therefore, any conditions of employment remain applicable.

## **EMPLOYEE BENEFITS AND RELATED ISSUES**

### **Are employees benefits impacted?**

- The OPM website has specifics on each type of benefit and how it is treated under furlough.
- As a general rule the employee benefits will not be impacted.
- We are following government-wide rules.

### **Will there be any guidance issued regarding leave without pay?**

- Yes; guidance will be forthcoming.

### **Will there be any assistance for those with insufficient funds to pay medical premiums?**

- We will follow existing OPM guidelines related to furloughs.

### **Will there be any changes to the civilian awards systems?**

- Currently, we are not presenting monetary performance awards.

### **Will civilians be eligible for unemployment?**

- It is possible; it varies by state.

### **What impact does the furlough have on leave?**

- Generally, there is no impact benefits; however, after 80 hours in a non-pay status, employees will lose one day of sick leave and one day of annual leave.
- In general, furloughed employees can expect to lose one day of sick leave and one day of annual leave for the last pay period of this fiscal year.

### **What if an employee can't pay his/her mortgage?**

- We understand the significant impacts furloughs may have on families. Each family's situation will be unique.
- We recommend you reach out to your financial institutions and creditors on the best approach for your specific situation.

### **Are personal financial difficulties grounds for a supervisor to waive an employee's furlough?**

- No, all appropriated fund employees will be considered for furloughs.
- We understand furloughs may result in unexpected financial difficulty for some civilian personnel and their families.
- Employees should start planning immediately for reduced paychecks beginning in July.

### **Does furlough (non-pay) status affect the timing of within-grade and step increases?**



- Please see OPM’s “Guidance for Administrative Furloughs” available online

**Will annual and sick leave accrual be affected?**

- Yes, furlough time off is treated like regular leave without pay for leave accrual and benefit purposes. If an employee is in non-pay status (which includes furlough, leave without pay, absence without leave, and suspension) for an entire pay period, no annual or sick leave is earned for that pay period.
- If non-pay time occurs during part of one or over the course of several of a full-time employee’s pay periods, the employee continues to earn leave until the non-pay time totals 80 hours. Then leave is reduced by the amount the employee earns during a pay period. If the employee again accumulates 80 hours of non-pay status, he or she will again not earn leave in the pay period in which that new 80-hour total is reached.
- For part-time employees, leave accrual is prorated based on hours in a pay status in each pay period; thus, time in non-pay status reduces leave accrual in each pay period containing such time.
- Please see OPM’s “Guidance for Administrative Furloughs” available online/

**Will retirement calculations be affected?**

- When employees are in a non-pay status (which includes furlough, leave without pay, absence without leave, and suspension) for only a portion of a pay period, their retirement deductions are adjusted in proportion to their basic pay (5 U.S.C. 8332 and 8411).

**Will high-three salary calculation for retirement be affected?**

- No, there is no effect on the high-three average pay unless the furlough causes the employee to be in a non-pay status (which includes furlough, leave without pay, absence without leave, and suspension) for more than six months during the calendar year.

**How will employee contributions to the thrift savings plan (tsp) be affected?**

- Employee contributions to TSP accounts are made as deductions from civilian or uniformed services pay.
- Employees who have selected their TSP contribution to be a percentage of their pay will see smaller contributions during the furlough period due to their reduced pay. Employees who have selected a fixed amount to be their TSP contribution will see the same amount deducted during the furlough period.
- If an employee is in non-pay status (which includes furlough, leave without pay, absence without leave, and suspension) for one or more full pay periods, he or she cannot contribute to his or her TSP account during that time.

**For an employee covered by the Federal Employees’ Retirement System (FERS), is the government’s contribution based on a person’s established salary or what the employee actually earns during a pay period?**

- Agency Automatic Contributions (1 percent) are calculated based on the employee's basic pay earned during each pay period. Agency Matching Contributions are calculated based on employee contributions from that basic pay.
- Consequently, if an employee is not earning basic pay for a particular pay period, he or she will not receive either type of agency contribution for that pay period.

**Will the government's contribution to the retirement fund affect an employee's retirement calculation?**

- An aggregate non-pay status (which includes furlough, leave without pay, absence without leave, and suspension) of six months in any calendar year is creditable service. Coverage continues at no cost to the employee while in a non-pay status.

**HEALTHCARE – will civilian insurance healthcare premiums and claims be paid in full and on time? Will benefits continue for furloughed personnel?**

- Yes, civilian healthcare insurance premiums and claims will be paid in full and on time, and benefits will continue for furloughed employees.
- The employee's share of the premium payment will accumulate and be withheld from pay upon return to pay status.
- Please see OPM's "Guidance for Administrative Furloughs" available online

**LIFE INSURANCE – what impact on civilian life insurance?**

- Please see OPM's "Guidance for Administrative Furloughs" available online

**PERMANENT CHANGES OF STATION – how affected?**

- Permanent change of station (PCS) in the interest of the Government must be funded.
- However, PCS authorized relocations may be restricted and used only in rare and unusual circumstances.
- Additionally, when PCS is determined necessary, optional expenses (house hunting trip, temporary quarters, etc.) may be restricted or prohibited.

**Will a furlough affect an employee's receipt of living quarters allowance (LQA)?**

- The Department of State Standardized Regulations (DSSR) addresses payment of allowances when an employee is in a non-pay status. For an administrative furlough (e.g., based on sequestration), DSSR section 051.2 and 132.2b(2) would be applicable:
  - DSSR section 051.2 states, "All allowances granted under these regulations may continue during periods while the employee is in non-pay status not in excess of 14 calendar days at any one time. For periods in non-pay status longer than 14 calendar days, payments under allowance grants are to be suspended as of the day the employee enters the non-pay status, and payment is not to be made for any part of

such period, unless otherwise specifically provided in these regulations. (See Section 132.2b(2).)"

- DSSR section 132.2b(2) specifically addresses continuation of LQA during a non-pay status, noting that the LQA grant may continue if the employee maintains the quarters at the post: "(2) while the employee is in non-pay status not in excess of 30 calendar days at any one time. For periods in non-pay status longer than 30 calendar days, payment shall be suspended as of the day the employee enters such status, and payment is not to be made for any part of such period;"
- Both DSSR sections provide for continued payment of allowances for short periods (14 or 30 calendar days) of non-pay status at one time. The furloughs implemented as 11 nonconsecutive work days will never hit the 14 or 30 days "at one time" required to affect the continued payment of the allowances.

**When an employee's pay is insufficient to cover all deductions because furlough time off occurs in the middle of a pay period and the employee receives a partial paycheck, what is the order of withholding precedence?**

- Agencies will follow the guidance at <http://www.lchcoc.gov/transmittals/TransmittalDetails.aspx?TransmittalID=1477> to determine the order of precedence for applying deductions from the pay of its civilian employees when gross pay is insufficient to cover all authorized deductions.
- Please see OPM's "Guidance for Administrative Furloughs" available online.