

POLICIES

Issued: September 24, 2020

Responsible Executive Vice President and Chief Operating and
Official: Financial Officer

Responsible Human Resources
Office:

Purpose

The purpose of this policy is to establish the guidelines to implement furloughs and/or reductions in compensation as cost-saving measures for the University, necessitated by revenue shortfalls, reductions in state appropriations, or other financial considerations.

Definitions

Essential Employees

Employees who conduct a range of operations and services that are typically critical to continue infrastructure operations and may vary based on circumstances and times of the year. Essential employees may be exempt from furloughs.

Furlough

A temporary unpaid leave of absence during which time employees retain their employment but do not receive their compensation for a specified amount or number of hours/days within furlough period. Individuals on furlough are still considered employees. A furlough is not a layoff nor a reduction in force (RIF) and may be implemented to avoid or delay such actions.

Furlough Period

The period of time determined by the University during which time a furlough will be in effect based on financial circumstances and needs of the University.

Furlough Hours/Days

The amount of hours/days each employee must be on furlough as determined by the University based on financial circumstances and needs of the University.

Reduction in Compensation

A temporary decrease in an employee's compensation for a specified period of time.

**Reduction in Compensation
Period**

The period of time determined by the University during which time a reduction in compensation will be in effect for an employee based on financial circumstances and the needs of the University.

Policy

Applicability of Policy

This is a University wide policy and applies to all full and part time employees in regular positions with the following exceptions:

- Employees holding H-1B Visa status (applies to furlough only)
- Employees that are serving their notice period due to a RIF

Federally and externally funded positions are not exempt unless the funding entity prohibits participation in a furlough or a reduction in compensation.

Plan Implementation

In order to implement a furlough and/or reduction in compensation a plan must be developed and approved which details the areas impacted (including but not limited to: department, division, University wide, employee classification, etc.), the employees to be included in the furlough/and or reduction, the time period during which the furlough/reduction in compensation will occur, and the projected cost savings for the University.

The plan must be approved by the President, or his designee, in consultation with the Provost and CFO or their designees.

General Terms

Notice

To the extent practicable, employees will be notified at least seven (7) calendar days before the beginning of the furlough and/or reduction in compensation period.

Benefits

To the extent allowed by law and plan requirements, employees will continue to receive their regular employment benefits, subject to their normal employee contributions.

Leave/Holidays

During a furlough, employees shall not be permitted to use any type of leave to offset the impact of the furlough.

During a reduction in compensation the leave usage will be paid at the reduction in compensation amount.

Employees who terminate employment during the period of their furlough/reduction in compensation, will have their annual leave paid out at their regular base rate of compensation in accordance with [HR5021 - Annual Leave Policy](#).

Service Dates

An employee's furlough days/period will not be considered a break in service for purposes of the employee's longevity and institutional service dates.

Performance Review

An employee's annual performance review date will not be adjusted due to a furlough. An employee's probationary performance review date will be adjusted based on the number of days the employee is on furlough.

Tuition Assistance

Employees will continue to be eligible for tuition assistance, in accordance with HR5040 - Tuition Assistance for Employee and Dependents policy, while they are on furlough and/or reduction in compensation.

Unemployment

The University does not provide eligibility and determination advice regarding unemployment compensation. Employees are responsible for applying for benefits through the Labor & Workforce Development (Unemployment) Office on their own. Eligibility and determinations will be made solely by the Department of Labor & Workforce Development.

Ending of Furlough/Reduction in Compensation Period

A furlough/reduction in compensation does not prevent the University from realigning or reassigning its resources or from taking additional actions to support its mission and goals. Furloughed/Reduction in Compensation employees are not exempt from further action if their department is reorganized or restructured and are not guaranteed that conditions of employment will remain unchanged.

FAQs

Where can I find more information regarding this policy?

Additional information can be found at https://www.memphis.edu/hr/fr_faq.php

Who do I contact with further questions?

For further questions, contact your Human Resources Business Partner at hrbusinesspartners@memphis.edu

Links

HR5021 - Annual Leave Policy	https://memphis.policytech.com/dotNet/documents/?docid=537&public=true
HR5022 - Sick Leave Policy	https://memphis.policytech.com/dotNet/documents/?docid=538&public=true
HR5024 - Paid Parental Leave Policy	https://memphis.policytech.com/dotNet/documents/?docid=540&public=true
HR5026- Sick Leave Banks- Faculty and Staff Policy	https://memphis.policytech.com/dotNet/documents/?docid=542&public=true
HR5020 - University Holidays Policy	https://memphis.policytech.com/dotNet/documents/?docid=536&public=true
HR5040 - Tuition Assistance for Employee and Dependents Policy	https://memphis.policytech.com/dotNet/documents/?docid=548&public=true
HR5025 - Leaves of Absence Policy	https://memphis.policytech.com/dotNet/documents/?docid=541&public=true
HR5029 - Timekeeping and Leave Reporting Policy	https://memphis.policytech.com/dotNet/documents/?docid=545&public=true

Revision Dates

HR5017 – Issued September 24, 2020

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Research	Student Affairs
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