

Employer Announcement #50

Furlough Days and Service Time

How PERS administers furlough days for state employees will depend upon how the employer reports the furlough days. Furlough days will reduce salary and hours regardless of how they are reported. Obviously, a reduction in salary will affect any PERS determination based on salary, including USERRA contributions.

If furlough days are reported as leave without pay (LWOP), service time and eligibility may be affected. It is unlikely that a single furlough day reported as LWOP will affect a service or eligibility determination, but it is possible. For example:

- 1) An employee within his/her six-month waiting time is absent for 30 consecutive working days. The employee has a furlough/LWOP day as the 31st working day, so the waiting time is interrupted and starts over.
- 2) A member is employed for the entire calendar year and has 594 hours and two furlough/LWOP days. The year becomes non-qualifying for contributions and service time, but would have been qualifying if the member had worked the furlough days. This scenario could occur whether the furlough days are reported as LWOP or not. The furlough days reduce the hours reported.
- 3) A furlough/LWOP day in the same month as an unrelated LWOP period could make the total LWOP the major fraction of a month and cost a member a month of service time.

The examples may not include all the possible scenarios, but they show that an impact is possible.

We have not had any discussion at PERS regarding any coding or policy to override the possible effects of furlough days reported as LWOP and would not recommend any such coding or policy be considered, given the administrative and programming burden it would place upon PERS.

It is up to the employer to characterize the furlough day in its reporting to PERS. If the employer wants to minimize the impact of furlough days for employees, then furlough days should not be reported as LWOP. PERS is leaving that decision to the employer.

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