

FREQUENTLY ASKED QUESTIONS

General Information

1. What is Sequestration?

Sequestration is an across-the-board reduction in Federal budgetary resources in all budget accounts that have not been exempted by statute. Under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, across-the-board reductions are scheduled to take effect on March 1, 2013, unless legislation is enacted that avoids such reductions. If it occurs, this sequestration will reduce each agency's budgetary resources in non-exempt accounts for the remainder of the fiscal year (which runs through September 30, 2013).

2. What is a furlough?

Furlough is an action placing a technician, in a temporary non-duty, non-pay status, because of lack of work or funds, or other non-disciplinary reasons.

3. What is an administrative furlough and why are administrative furloughs necessary?

An administrative furlough is a planned event by an agency, designed to absorb reductions necessitated by downsizing, reduced funding, lack of work, or any other budget situation other than a lapse in appropriations. This type of furlough is typically a non-emergency furlough, in that the agency has sufficient time to reduce spending and give adequate notice to employees of its specific furlough plan and how many furlough days will be required. For example, a furlough may be necessary when, as a result of Congressional budget decisions, an agency is required to absorb additional reductions over the course of a fiscal year.

4. What is the difference between a shutdown furlough and an administrative furlough?

An administrative furlough is a planned event by an agency that is designed to absorb reductions necessitated by downsizing, reduced funding, lack of work, or any other budget situation other than a lapse in appropriations. Furloughs that would potentially result from sequestration would generally be considered administrative furloughs.

In contrast, where there is a lapse in appropriations, a "shutdown" furlough may occur. A shutdown furlough is necessary when an agency no longer has the funds necessary to operate and must shut down those activities that are not excepted under the Antideficiency Act. Many Federal employees may be familiar with these types of furloughs from instances in previous years in which the Government has faced a potential shutdown.

5. How will a technician be notified if they are affected by an administrative furlough?

Each Human Resources Office (HRO) will coordinate the method and timing to notify a technician as to whether or not he or she is affected by an administrative furlough.

Working During Furlough**1. May a technician volunteer to do his/her job, in a non-pay status, during any hours or days designated as furlough time off?**

No. A technician is not permitted to serve as an unpaid volunteer and will remain away from the work place until recalled.

2. What happens to a technician scheduled for training during an administrative furlough?

In the event that scheduled training occurs during a furlough period, affected technicians must be placed in a furlough status and ordered not to attend the scheduled training. Technicians currently on temporary duty will return to home station as soon as possible.

3. May a technician work during a period designated as furlough time off to earn compensatory time?

No. A technician may not work to earn compensatory time during hours and/or days designated as furlough time off.

4. May a technician work during a period designated as furlough time off to accumulate religious compensatory time off hours for religious observances?

No. A technician may not work during a period designated as furlough time off; even to accrue religious compensatory time.

Pay**1. When a technician's pay is insufficient to permit all deductions to be made because furlough time off occurs in the middle of a pay period, resulting in a partial paycheck, what is the order of withholding precedence?**

The United State Property and Fiscal Office (USPFO) will follow Comptroller General guidance to determine the order of precedence for applying deductions from a technician's pay when the gross pay is insufficient to cover all authorized deductions. See order of USPFO Precedence Hand Out

2. Will with-in-grade increases (WGI) be delayed for technicians affected by an administrative during a furlough?

It depends on the length of the furlough. Within-grade and step increases for General Schedule (GS) and Wage Grade (WG) technicians are awarded on the basis of length of service and individual performance. Extended periods of non-pay status in excess of 80 hours (2 weeks) will delay the WGI. For example, a GS technician in steps 1, 2, or 3 of the grade, who is furloughed for more than 2 work weeks during the waiting period, would have his/her within-grade increase delayed by at least a full pay period. (See 5 CFR 531.406(b)).

3. Are employees entitled to unemployment compensation while on furlough?

New Jersey federal employees who are furloughed may be entitled to unemployment compensation as determined by the NJ Department of Labor. New Jersey allows for claims to be filed if an employee has a 20% reduction in hours or pay. Employees will be given an SF 8 (Notice to Federal employees about Unemployment Insurance) which has the agency payroll information need to file a claim. All federal employees must file their claim via telephone. Numbers for the regional offices are below. There is no required waiting period for filing nor is there a requirement for the furlough to be on consecutive day.

NORTH	Union City Office : (201) 601-4100
CENTRAL	Freehold Office : 732-761-2020
SOUTH	Cumberland County Office : (856) 507-2340

Leave and Other Time Off

1. May a technician take paid leave or other forms of paid time off (e.g., annual, sick, court, military leave, leave for bone marrow or organ donor leave, any compensatory time off earned, or time off awards) instead of taking administrative furlough time off?

No. During an administrative furlough, a technician may not substitute paid leave or other forms of paid time off for any hours or days designated as furlough time off.

2. Will the furlough impact leave accrual?

Once a technician's balance of non-pay hours equals their scheduled hours in a pay period (80 hours in a biweekly pay period, the employee will not accrue leave for that pay period. Leave accrual resumes the next pay period. Pay periods ending on 29 Jun and 10 Aug will be affected.

3. How does the State treat a technician, who is on approved leave without pay (LWOP), during an administrative furlough period?

If a technician is scheduled to be on approved LWOP during the furlough period, he/she may designate any hours and/or days of LWOP as furlough time off in order to meet the furlough requirement. States are not required to provide a technician with a furlough notice if the technician is not expected to work during the furlough period. (e.g. the technician is deployed for a period in excess of the planned furlough period or the technician is currently serving on an AGR tour) If the technician returns to work before the end of the furlough period, the State could require the technician to take furlough time off, based on the State's furlough requirement. If upon return to service, the technician has taken enough LWOP to cover the State's requirement for furlough time off, the State may choose not to place the technician in a furlough status.

4. May a technician take LWOP under the Family and Medical Leave Act (FMLA) during an administrative furlough period?

Yes. A technician may take LWOP under FMLA during the designated furlough period. The technician may designate any hours and/or days of LWOP under FMLA as furlough time off in order to meet the state's furlough requirement. During a furlough any LWOP under FMLA, that is scheduled to be taken instead of a furlough day off, will not count toward the technician's 12 week FMLA leave entitlement. A technician, who takes LWOP under FMLA instead of a furlough day off, may not substitute paid leave for those days at a later time. States are not required to provide a technician with a furlough notice if the technician is not expected to work during the furlough period (e.g. a technician who has just given birth

and has requested 12 weeks of unpaid leave (LWOP) under the FMLA). If the technician is scheduled to return to work, from approved LWOP during the designated furlough period, the technician should be provided with a written furlough notice (effective on the date of scheduled return).

5. What happens under sequestration if an employee has use-or-lose leave or earned compensatory time off?

Sequestration should not affect a technician's ability to take approved use or lose annual leave before the end of the leave year or to use earned compensatory time off within the established timelines.

Holidays

1. May a technician be administratively furloughed on a holiday?

Yes. However, the State 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, the State may not properly furlough a technician for a 3-day period, the middle of which is a holiday, for the sole purpose of saving 3 days pay while losing only 2 days of work. (See Comptroller General opinion B-224619, August 17, 1987). Nor would it be proper to furlough a technician solely on a holiday. (See Comptroller General opinion B-222836, May 8, 1986).

2. If a technician has 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 the technician be paid for the holiday?

Yes. The general rule is that a technician is entitled to pay for a holiday as long as he/she is in a pay status on either the workday preceding a holiday or the workday following a holiday. The technician is paid for the holiday based on the presumption that, but for the holiday, the technician would have worked. (Note: A holiday should not be the first or last day of the period covered by a furlough.)

3. If a technician has a designated administrative furlough day off on the last workday *before* a holiday *and* the first workday *after* a holiday, will the technician 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 technician is not entitled to pay for the holiday because there is no longer a presumption that, but for the holiday, the technician would have worked on that day. (See Comptroller General opinion B-224619, August 17, 1987). States that allow a technician to choose the furlough days off must advise the technician that he/she will not be paid for the holiday if the technician chooses to take a furlough day off both before and after the holiday.

Benefits

1. Will a technician continue to be covered under the Federal Employees Health Benefits (FEHB) Program during an administrative furlough?

Technician FEHB coverage will continue if the technician's salary is sufficient to pay the premiums. If the technician's salary becomes insufficient to pay FEHB premiums due to the furlough, the leave without pay/insufficient pay rules apply:

(<http://www.opm.gov/insure/health/reference/handbook/fehb13.asp>). If a technician chooses to remain covered, the enrollee share of the FEHB premium will accumulate and be withheld from pay until which time the pay is sufficient to cover the premiums.

2. Will a technician's Flexible Spending Account Program (FSAFEDS) be impacted during an administrative furlough?

The technician's FSAFEDS coverage continues, and allotments made by the technician continue if the technician's salary in each pay period is sufficient to cover the deduction(s). If the technician's salary is insufficient to cover his/her allotment(s), then incurred eligible health care expenses will not be reimbursed until the allotments are successfully restarted (in which case the remaining allotments would be recalculated over the remaining pay periods to match the technician's annual election amount).

Incurred eligible dependent care expenses may be reimbursed up to whatever balance is in the technician's dependent care account, as long as the expenses incurred allow the technician (or technician's spouse if married) to work, look for work, or attend school fulltime. Once dependent care allotments are successfully restarted, remaining allotments would be recalculated over the remaining pay periods to match the technician's annual election amount.

3. Will a technician continue to be covered under the Federal Employees' Group Life Insurance (FEGLI) during an administrative furlough?

The technician's FEGLI coverage continues while in a non-pay status due to furlough for up to 12 months without cost to the technician or to the agency. However, if the furlough is for only part of a pay period the FEGLI premiums are required. If the technician receives any pay in a pay period, FEGLI premiums for the whole pay period will be deducted from pay. The premiums are not prorated. If the technician's salary becomes insufficient to pay FEGLI premiums due to the furlough, the leave without pay/insufficient pay rules apply: (<http://www.opm.gov/insure/health/reference/handbook/fehb13.asp>).

4. Will the technician continue to be covered under the Federal Employee Dental and Vision Insurance Program (FEDVIP) during an administrative furlough?

Yes. Just as with scheduled LWOP, if BENEFEDS is unable to take the necessary premium deduction from a technician's pay, BENEFEDS collects the premium up to twice the biweekly amount from the next full pay period to make up for the missed premium deduction. If the furlough continues for more than two consecutive pay periods, BENEFEDS will mail a direct bill to the technician. The technician should pay premiums directly billed to him/her on a timely basis to ensure continuation of coverage.

5. Will the technician continue to be covered under the Federal Long Term Care Insurance Program (FLTCIP) during an administrative furlough?

Yes. Eligible claims will continue to be paid. Coverage will terminate if premiums are not paid. If the contractor does not receive premiums for two or fewer pay periods, they will adjust future premium

deductions, increasing by no more than \$50 per pay period to recover the missed premiums. Three consecutive pay periods of no premiums will result in the contractor billing the technician directly.

The technician also has the option to change to direct billing or to make a payment via electronic funds transfer (EFT). If premiums are not collected, or a final bill is not paid within a 30-day grace period, FLTCIP will send a termination letter. The technician has 35 days, from the date of the letter in which to pay the premium; otherwise, the technician will be disenrolled retroactively to the last pay period in which premium was paid.

Thrift Savings Plan (TSP)

1. What is the impact of a furlough on the TSP? What will happen to the contributions?

By law, a technician who is in a non-pay status cannot contribute to their TSP account while on furlough. TSP contributions will stop. If the technician is a FERS employee, agency contributions will not be received during the furlough period. In contrast **during a discontinuous furlough employees may continue to contribute. However, employees should be mindful as to whether their pay will cover their total deductions.**

2. Will a technician's TSP investments be affected? What about disbursement?

TSP investment activity will continue. Share prices and account balances will continue to be updated each business day, and loans and withdrawals will continue to be disbursed.

3. Can a technician take a TSP loan while furlough?

Yes. By law, a TSP participant may take a TSP loan during a furlough which results in a short-term break in pay. The TSP Executive Director has determined a Government shutdown does not disqualify one from TSP loan eligibility. See the TSP Fact Sheet (Impact of a Government Shutdown on the Thrift Savings Plan, dated March 4, 2011) at: <https://www.tsp.gov/PDF/formspubs/oc11-5.pdf> . The technician should be referred to the cited reference for additional information specific to loan payment requirements.

Service Credit for Various Purposes

1. Is being furloughed or on leave without pay (LWOP) considered a break in service?

No. Both mean the technician is in a non pay, non duty status for those days/hours. However, an extended furlough or extended LWOP may affect the calculation of creditable service for certain purposes.

2. To what extent does non-pay status affect technician benefits and programs?

The effects of a non-pay status (which includes furlough, leave without pay, absence without leave, and suspension) on technician benefits and programs vary based on current law and regulation. For additional information, see OPM's fact sheet on the "Effect of Extended Leave Without Pay (or Other Nonpay Status) on Benefits and Programs" at http://www.opm.gov/oca/leave/HTML/LWOP_eff.asp.

3. Will there be an impact on the within-grade increase (WGI) waiting period for General Schedule (GS) technicians affected by an administrative furlough while in an Absent Uniformed Service (AUS) status?

No. Furlough has no impact on a the WGI waiting period for GS technician's affected by a furlough while in an Absent -US status (i.e., Nature of Action Code 473, used when the technician has restoration rights). An absence, for the purpose of engaging in military service, is creditable service in the computation of waiting periods for successive WGIs when the technician returns to a pay status through the exercise of a restoration right provided by law, Executive Order, or regulation. (See 5 CFR 531.406(c)(1)(i) and 5 CFR 532.417(c)(4).)

4. Will Furloughs impact wage considerations when calculating a retirees high three for retirement.

No the furlough does not affect this calculation, it is the technicians grade/step which is considered for retirement purposes.

Injury While on Furlough

1. Is a technician who is injured while on furlough time-off eligible to receive workers' compensation benefits or pay?

No. Workers' compensation is paid to a technician only if he/she is injured while in the performance of duties. A technician who is on furlough time off is not in a duty status for this purpose. The technician who is currently in receipt of workers' compensation payments will continue to receive the workers' compensation payments during a furlough and will continue to be charged LWOP.