**(Revised) Furlough Processes**

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**Questions?**
If you have any questions regarding the revised furlough processes, please submit an [**HR help desk ticket**](http://oaiss.state.pa.us/HR-Pay_Help_Desk/) in the time category. You may also call the HR Service Center, Agency Services Division at 877.242.6007, Option 2.

**Section 1: Furlough Process**

* Only positive quota up to the maximum accumulation for annual/combined and sick quota can be frozen.
* Employees have **14 days** from the date of furlough to request to freeze annual quota (sick quota automatically remains in the system).
* Requests to freeze quota should not be processed until expiration of the 14-day period.
* Exempt management employees are not entitled to payments for earned, unused holiday or compensatory quota upon separation.
* Frozen quota can be paid upon request during the recall period.
* Furloughed employees who retire during the recall period should be re-processed using separation reason codes 21 or 22 without changing the effective date of the furlough. Text must be added to the action to indicate the actual retirement date.
* Furloughed employees are entitled to payment of frozen quota upon expiration of recall period. OA Benefits will provide agency notification.

Separation Reason Codes

**05** - Resign In Lieu of Furlough: creates “QSEP” on IT2012

**21** - Retire-in lieu of furl-no sick: creates “QSEP” on IT2012

**22** - Retire-in lieu of furl-sick py: creates “QRET” on IT2012

**71** - Furlough-Lack of Funds-lv pymt: creates “QSEP” on IT2012

**72** - Furlough-Lack of Funds-freeze: nothing created on IT2012

**73** - Furlough-Lack of Work-lv pymt: creates “QSEP” on IT2012

**74** - Furlough-Lack of Work-freeze: nothing created on IT2012

**80** - Comp Spec Emp Period: used for non-civil service management employees separated due to lack of funds with no option to freeze quota; creates “QSEP” on IT2012. Union covered ~~non-permanent~~ non civil service employees should use the appropriate furlough reason code (71-74).

**90**- Manual Leave Payment: used for retiring employees who have frozen sick quota that is paid at a rate different than the current rate; nothing created on IT2012. Use of this reason code requires manual calculation of annual/combined and sick quota payments for BCPO processing.

**Note:** Unlocking the “QSEP” record automatically generates payment for annual, personal and compensatory quotas as applicable. Unlocking the “QRET” record automatically generates payment for sick quota in addition to annual, personal and compensatory quotas as applicable.

All Positive Quota with **No Option or Request to Freeze** Quota

Separation action created using reason code 80 – the employee does not return to work within the initial 14 days and does not have the option to freeze quota.

Separation action created using reason code 71 or 73 - the employee does not return within 14 days and does not request to freeze quota during the initial 14 days.

* Keep Q record on IT2012 locked until the end of the 14-day period following furlough.
* Create IT0416 - Quota Compensation record to pay earned, unused holiday quota. Use an effective date of the day before the employee’s last day in compensable status. **NOTE: Unused holiday and compensatory quota is not paid to exempt management employees. Instead, quota corrections must be created to reduce any remaining quota to zero.**
* Unlock the Q record on IT2012 and appropriate quotas will pay.

All Positive Quota with **Request to Freeze** Quota

Separation action created using reason code 72 or 74 - the employee does not return within 14 days and submits a request to freeze quota.

* Create IT0416 - Quota Compensation record(s) to pay earned, unused holiday, compensatory and/or personal quotas. Annual/combined hours above the maximum carryover must also be paid. Use an effective date of the day before the employee’s last day in compensable status. **NOTE: Unused holiday and compensatory quota is not paid to exempt management employees. Instead, quota corrections must be created to reduce any remaining quota to zero.**
* Create IT2013 - Quota Correction record(s) to reduce the remaining unearned holiday and unused military quotas to zero. Anticipated annual/combined, sick and personal quotas must also be reduced by the amount of unearned quota from the time of separation to the end of the current leave calendar year.
	+ Maximum Carryover - If the employee was paid for hours above the maximum carryover for annual/combined quota, remove these hours from the anticipated quotas.
	+ Excess Quota - If the employee is separating during the extension period and has an extension quota, correct the extension quota (not the anticipated quota).

Use an effective date of the day before the employee’s last day in compensable status for the quota corrections.

Mix of Positive and Negative Quota with **No Request to Freeze** Quota

Separation action was created using reason code 71 or 73, the employee does not return within 14 days and does not request to freeze quota during the initial 14 days.

* Keep Q record on IT2012 locked until end of 14-day period following furlough.
* Create IT0416 - Quota Compensation record(s) to pay earned, unused holiday quota. Use an effective date of the day before the employee’s last day in compensable status. **NOTE: Unused holiday and compensatory quota is not paid to exempt management employees. Instead, quota corrections must be created to reduce any remaining quota to zero.**
* Unlock the Q record on IT2012 and appropriate quotas will pay and/or recoup.

Mix of Positive and Negative Quota with **Request to Freeze** Quota

Separation action created using reason code 72 or 74 - the employee does not return within 14 days and submits a request to freeze quota.

* Negative quota must be recouped prior to freezing quota. With the employee’s permission, positive annual/combined and/or personal quotas can be used to offset negative sick and/or personal quotas.
* Delete absences that are causing actual quota to become negative and replace with available annual/combined, compensatory and personal. If no paid quota is available, enter AO, YUSO, YUFO, or YUPO absences as appropriate so that actual quota is zero. **Note:** If an absence is linked to an SPF event, contact the SPF Coordinator to unlink the absence, delete the absence, enter the appropriate SPF absence and then link the new absence to the appropriate SPF event.

**Reminder:** Changing paid leave to unpaid leave results in lost accruals. Therefore, a three-step formula must be performed to determine the quota adjustment amount (amount changed to leave without pay in order to zero out the absence quota). For help with this calculation, please submit an [**HR help desk ticket**](http://oaiss.state.pa.us/HR-Pay_Help_Desk/) in the time category.

* Create IT0416 - Quota Compensation record(s) to pay earned unused holiday, compensatory and/or personal quotas. Annual/combined hours above the maximum carryover must also be paid. Use an effective date of the day before the employee’s last day in compensable status. **NOTE: Unused holiday and compensatory quota is not paid to exempt management employees. Instead, quota corrections must be created to reduce any remaining quota to zero.**
* Create IT2013 - Quota Correction record(s) to reduce the remaining, unearned holiday and unused military quotas to zero. Anticipated annual/combined, sick and personal quotas must also be reduced by the amount of unearned quota from the time of separation to the end of the current leave calendar year.
	+ Maximum Carryover - If the employee was paid for hours above the maximum carryover for annual/combined quota, remove these hours from the anticipated annual/combined quota.
	+ Excess Quota - If the employee is separating during the extension period and has an extension quota, correct the extension quota (not the anticipated quota).

Use an effective date of the day before the employee’s last day in compensable status for the quota corrections.

**Request to Freeze** Quota Submitted Within 14-Day Period While Q Record Was Locked

Separation action created using reason code 05, 71, or 73 and the employee does not return within 14 days. Complete the following steps after the expiration of the 14-day period:

* Review IT2012. Delete the Q record that was generated as part of the original separation action. **Note:**  Reason codes 72 and 74 will not generate a new Q record on IT2012.
* Re-execute the separation action using reason code 72 or 74.
* Negative quota must be recouped prior to freezing quota. With the employee’s permission, positive annual/combined and/or personal quotas can be used to offset negative sick and/or personal quotas.
* Delete absences that are causing actual quota to become negative and replace with available annual/combined, compensatory and personal. If no paid quota is available, enter AO, YUSO, YUFO, or YUPO absences as appropriate so that actual quota is zero. **Note:**  If an absence is linked to an SPF event, contact your SPF Coordinator to unlink the absence, delete the absence, enter the appropriate SPF absence and then link the new absence to the appropriate SPF event.

**Reminder:** Changing paid leave to unpaid leave results in lost accruals. Therefore, a three-step formula must be performed to determine the quota adjustment amount (amount changed to leave without pay in order to zero out the absence quota). For help with this calculation, please submit an [**HR help desk ticket**](http://oaiss.state.pa.us/HR-Pay_Help_Desk/) in the time category.

* Create IT0416 - Quota Compensation record(s) to pay earned, unused holiday, compensatory and/or personal quotas. Annual/combined hours above the maximum carryover must also be paid. Use an effective date of the day before the employee’s last day in compensable status. **NOTE: Unused holiday and compensatory quota is not paid to exempt management employees. Instead, quota corrections must be created to reduce any remaining quota to zero.**
* Create IT2013 - Quota Correction records to reduce the remaining, unearned holiday and unused military quotas to zero. Anticipated annual/combined, sick and personal quotas must also be reduced by the amount of unearned quota from the time of separation to the end of the current leave calendar year.
	+ If the employee was paid for hours above the maximum carryover for annual/combined quota, remove these hours from the anticipated quotas.
	+ If the employee is separating during the extension period and has a quota extension, correct the extension quotas (not the anticipated quota).

Use an effective date of the day before the employee’s last day in compensable status for the quota corrections.

Furlough Changed to Retirement

Separation action was originally created using reason code 71, 72, 73, or 74.

* If prior separation action was completed using reason code 71 or 73, delete QSEP record on IT2012.
* Re-execute the separation action using reason code 21 or 22. Note: Reason code 21 will generate a QSEP and reason code 22 will generate a QRET.
* Verify quota balances and unlock Q record on IT2012. **Note:** Annual/combined quota will pay if quota was originally frozen. Sick payment will generate as appropriate (depending on the reason code used for the action).
* To process a deferred comp rollover, use begin and end dates of the same pay period in which the leave payment will be processed.

Payment of Frozen Quota During or Upon Expiration of Recall Period

*Furloughed employees with frozen annual/combined quota can request payment during the recall period. In the event of a furloughed employee’s death during the recall period, frozen annual/combined quota must be paid.*

* Create IT0416 – Quota Compensation record to pay frozen annual/combined quota. Use an effective date of the day before the employee’s last day in compensable status.
* Create IT2013 – Quota Correction record to reduce the employee’s anticipated annual/combined quota to zero. Use an effective date of the day before the employee’s last day in compensable status.

**Section 2: Return from Furlough Process**

* If a furloughed employee is a union member at the time of furlough and is subsequently re-employed, the employee must be returned as a union member.
* A Return from Furlough action should be processed for all employees who are re-employed within the designated recall period.
* Furloughed employees are entitled to retain seniority, benefit eligibility, quota entitlements and leave service credit from employment prior to furlough.

Return from Furlough Within 14 Days of Separation

If the employee was furloughed from an agency other than the hiring agency, coordinate with the losing agency to have the separation action associated with the furlough deleted. The losing agency must also create the AZ06 relationship.

* Process the applicable PA40 transfer action.
* Create the AO absence on IT2001 from the original date of furlough through the last day before the employee’s date of return/transfer.
* Review IT0041. Remove the ZE Date Type and corresponding date if one exists.

Return from Furlough After 14 Days of Separation and Within the Recall Period

*(Recall Period - 36 months or longer per contract language)*

All furloughed employees who return to state employment within the recall period as designated in their respective contracts are eligible for benefits comparable to those in effect at the time of furlough. **Note: All reemployed furloughed employees should be processed as a return from furlough action.**

* **Group Life Insurance:** No new waiting period is required if an employee's group life insurance coverage was effective prior to the date of furlough. If an employee was in his or her waiting period prior to the date of furlough, he or she will receive credit for the portion of the waiting period that was previously satisfied.
* **Medical and Supplemental Benefits:** No new waiting period for medical benefits is required. A furloughed employee who was originally hired prior to August 1, 2003 will continue to be treated as a pre-August 1, 2003 hire under the eligibility provisions as prescribed in the PEBTF Summary Plan Description.

If an employee was within the first 6 months of employment prior to furlough, he or she will receive credit for the waiting period that was previously satisfied toward the supplemental benefits and the dependent buy-up period.
* **Quotas:** Employees are permitted to anticipate annual/combined and sick quotas if the employee had attained one year of service prior to the furlough date.

Return From Furlough Action

The effective date of a return from furlough action is the first day the employee physically reports to work.

**IT0041 – Date Specifications:**

* + **Z1** – Current Service Date: Must reflect the return from furlough date.
	+ **Z2** – Adjusted Leave Service: Must reflect the previous hire date in order for eligible employees to anticipate annual/combined and sick quotas.
	+ **ZT** – Benefit Eligibility Control: Must be added to all return from furlough actions. Independent agencies not serviced by the HR Service Center must submit an [**HR help desk ticket**](http://oaiss.state.pa.us/HR-Pay_Help_Desk/) in the benefits category to have this date added to IT0041. This will drive the employee’s benefits eligibility date.
	+ **ZE** - Retirement Complete: Must be removed from IT0041 or retirement contributions will not be deducted.
* Review PT50 and/or IT2006 to ensure the accuracy of absence quotas. Frozen quota is available immediately upon return from furlough. Anticipated quota is also available immediately upon return from furlough if the employee had attained one year of service prior to the furlough date.
* Quota is earned based on the leave service credit and adjusted leave service date in effect immediately prior to the date of furlough and the bargaining unit applicable during reemployment.

**Note:** Personal Quota – in cases where the employee returns from furlough within the same entitlement period (leave calendar year, ½ leave calendar year or leave quarter) as the original furlough and the employee already earned the personal accrual for the entitlement period, a review of the anticipated personal quota is needed. The system will generate anticipated personal quota based on the date of return from furlough without consideration of used or paid personal quota during the previous employment period. Create quota corrections to reduce anticipated personal if appropriate.

Return from Furlough into a Temporary Position

An employee furloughed from a permanent position who is reemployed by the commonwealth in a temporary position is to be defined as a **permanent** employee. He or she will be eligible for all benefits accrued by permanent employees provided all applicable eligibility requirements are met. This includes all leave entitlements (i.e. QHOL creation on IT2012).

The position must be updated in SAP to reflect permanent prior to processing the return from furlough action. If the position is not coded as permanent, the employee will not be eligible for benefits and will not accrue leave.

Furloughed employees placed into part-time positions are entitled to benefits based on the hours worked. Employees working 50% or more are eligible for medical benefits based on the PEBTF rate chart. Employees working less than 50% are only entitled to life insurance.

A furloughed employee that completes the temporary employment can be subsequently re-employed. If the reemployment is within the 36 month recall period, the employee is treated as a return from furlough. Refer to the Return from Furlough after 14 Days of Separation and Within the Recall Period instructions to process the employee.

**Section 3: Separation After Return from Furlough Process**

Furloughed Employees Reemployed into Temporary Positions and Separates

When furloughed employees are reemployed and subsequently terminated within the recall period due to cessation of temporary employment or subsequent furlough, employees have the option to have quota paid or frozen. (Reference Section 1 for additional guidance.)

Employee with Frozen Quota Rehired at Lower Pay Rate and Separates

* Per Management Directive 530.18, payment for quota at the time of original furlough will be at the pay rate in effect immediately before the date of original furlough. Payments for the differences from the quota at the time of the original furlough and the quota at the time of separation will be at the pay rate in effect immediately before separation.
* When processing a separation for an employee with frozen quota that needs to be paid at a rate other than the employee’s current hourly rate of pay or at multiple rates of pay, contact ra-benhelp@state.pa.us to calculate the appropriate payout. The Absence and Safety Division will coordinate the quota payout with the Bureau of Commonwealth Payroll Operations and HR Service Center/Agency HR office.

Separates Within Recall Period

*(Recall Period - 36 months or longer per contract language)*

* + Create IT0416 – Quota Compensation record to pay quota earned prior to original furlough. Use an effective date of the day before **the original furlough** to ensure payment at the correct higher rate of pay.
	+ Create IT2013 – Quota Correction record to reduce the employee’s anticipated quota by the amount equal to the quota compensation. Use an effective date of the day before **the original furlough**.
	+ Unlock the Q record on IT2012 and the remaining quota will pay or be recouped as appropriate.

Separates and Subsequently Retires Within Recall Period

*(Recall Period - 36 months or longer per contract language)*

Separation action was originally created using reason code 72 or 74.

* + Re-execute the separation action using reason code 90, Manual Leave Payment. No Q record is created on IT2012.

	Use of this reason code requires manual calculation of annual/combined and sick quota payments for BCPO processing.
	+ Submit an E-PAR (or CST for agencies not participating with the HR Service Center) to process a Manual Leave Payment (reason for action code 90).
	+ To process a deferred compenstaion rollover, use begin and end dates of the same pay period in which the leave payment will be processed.

**Questions?**
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