

Furlough Compared to Reduction in Force

	Furlough	Reduction in Force (RIF or Layoff)
Applies to	Permanent SHRA/EHRA-Non-Faculty (EHRA-NF)/Faculty	Permanent SHRA Career Status
Types	<p>A “full furlough” means that an employee will not receive pay for at least a full month, and is continuous. A “partial furlough” means that an employee will not receive pay for only part of a month, or will be placed on a temporarily reduced schedule rather than being placed on a full furlough.</p> <p>Furloughs and partial furloughs of FLSA-exempt employees can have complex wage-hour implications; please discuss with the relevant Office of Human Resources (OHR) unit on navigating these.</p> <p>A Furlough is a temporary situation in which employees are expected to be called back to work as soon as feasible. Furloughs cannot last longer than 12 months.</p> <p>Employee remains active in position.</p>	<p>A “reduction-in-force” or a “layoff” means that the employee is permanently separated from employment.</p> <p>Position is abolished from the university.</p>
Salary/FTE Reductions	A Special Temporary Salary Reduction option is also available for EHRA-NF employees. No salary reduction shall be implemented that results in a new annualized salary of \$45,000 or less and no salary reduction under these provisions shall exceed 20 percent of the employee’s current base pay. A temporary salary reduction may be accomplished for a duration no shorter than one month and no longer than 12 months.	All downward reallocations and reductions in FTE (at or above .75) must also be evaluated and submitted on the SHRA Reduction in Force Request Form . All reductions in force must be approved by UNC System Office (UNC SO) and OHR and related to loss of funding to the university or loss of funding and work to the university.
Priority Status	Furloughed employees do not have layoff priority status as they remain in their position.	RIF employees qualify for layoff priority status for 12 months following notification. Layoff priority status entitles laid off employees to priority consideration for State positions when being considered alongside candidates with substantially equal qualifications.
Severance Pay	Furloughed employees are not eligible to receive severance pay.	RIF Employee may be eligible to receive severance if approved by Office of State Human Resources (OSHR) & Office of State Budget Management.
Cost Savings	Temporary cost savings to a department/division.	Permanent cost savings to a department/division.
Notice Required To Employee	Furlough requests submitted to the UNC SO for review and approval will require a minimum 60-day advance notification to employees prior to the commencement of the furlough if: <ul style="list-style-type: none"> - the request is for a full furlough of at least 30 consecutive calendar days, and/or - the request is for a partial furlough of at least 30 consecutive calendar days that reduces an employee’s FTE below 0.5. 	Once approved by the UNC System Office (UNC SO) and Office of State Human Resources (OSHR), at least 30 calendar days’ written notice is required to the employee.
Effective Date	For SHRA employees, effective date should be the Monday of a new pay period. For EHRA-NF/Faculty, effective date when possible should be the 1st of the month, especially with EHRA-NF salary reductions to avoid issues/confusion with prorating.	The effective date must be at least 30 calendar days following written notification to the employee.

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Benefit Information	<p>Vacation Leave: Furloughed employees continue to accrue.</p> <p>Sick Leave: Furloughed employees continue to accrue.</p> <p>Health Insurance & Other Voluntary Benefits: The University is obligated, per policy, to continue paying the employer portion of the health insurance premium while furloughed. The employee remains responsible for the Employee portion of the premium and for any voluntary benefits deductions from payroll. Employees on a full furlough are responsible for coordinating these payments with the Benefits & Leave Administration Unit in the Office of Human Resources.</p> <p>Retirement/Full Furlough: No service is being rendered; therefore, no retirement credit is received.</p> <p>Retirement/Partial Furlough: Service must be rendered, and retirement contributions made to receive credit.</p> <p>State Service: Furloughed employee continues to receive state service.</p> <p>A Furlough is a qualified life event. Employees can choose to modify their benefit elections when they go out on furlough, and then again when they return.</p>	<p>Vacation Leave: RIF employee no longer accrues vacation leave, and up to 240 hours is paid out upon termination.</p> <p>Sick Leave: RIF employee no longer accrues sick leave, and banked time is kept within the state for up to 5 years.</p> <p>Health Insurance: Employees who lose their jobs as a result of a RIF may continue their health coverage under the State Health Plan on a non-contributory basis for up to 12 months, provided they had 12 or more months of consecutive state service and were covered under the Plan at the time of layoff. The University will continue to pay the employer contribution towards the cost of health care during this one-year period. Any required employee premiums, including dependent coverage, would continue to be paid by the member.</p> <p>Other Voluntary Health Benefits: Coverage under the University ends in accordance with plan termination rules. Each plan vendor will mail benefit continuation materials (i.e. COBRA, conversion, portability, ect.) to the last address on record.</p> <p>Retirement: If eligible for retirement, the employee may retire anytime following the layoff effective date. The employee may delay retirement until all severance payments are received.</p> <p>State Service: RIF employee no longer accrues state service.</p>
TIM Information	<p>For partial furloughs, TIM Administrator for the department will enter the partial furlough reporting pay code and hours for each employee. Employee and supervisors do not take any action in TIM during furlough weeks.</p> <p>For full furloughs, no timecard entries are needed in TIM.</p>	<p>If an employee is eligible for a leave or other payout upon termination, the number of hours to be paid out must be added to the final day worked in TIM.</p>
Link to Policy	Communicable Disease Mandatory Employees (CDME) Policy	SHRA Layoff Policy
Request Form	Contact your Assigned Talent Acquisition Partner for a consultation.	SHRA Layoff Request Form
Resources	Furlough Planning Guide Personnel Budget Tools Benefit Information for Furloughed Employees Emergency Temporary Furlough FAQs	Managers Resource Guide for SHRA RIFS Employee Layoff Resource Guide Leaving the University Guide Severance Calculator