

## **NAF Government Shutdown/Furlough Fact Sheet**

During the government shutdown furlough there are deemed to be **three categories of employees**:

- **Group 1** - Employees working primarily in Business Related areas (i.e. retail) that are totally funded with NAF dollars are **exempt**.
  - **Employees totally funded with NAF dollars will not be impacted by the furlough and should report to work as normal**
- **Group 2** - Employees who are deemed “Excepted” (for the duration of the furlough) whose pay and benefits are **eligible** for either full or partial appropriated fund subsidies (known as “UFM” funding)
  - **Employees deemed “Excepted” will be required to report to work during the furlough in an unpaid status. At the end of the government shutdown/furlough, these employees will receive retro pay.**
  - **Employees may not take leave. If employee is absent, FUR code will be entered on PeopleSoft. FUR is similar to “leave without pay.”**
  - **Sexual Assault Prevention at all levels are considered “Excepted” and not subject to furlough.**
- **Group 3** - Employees who are deemed “Non-Excepted” (for the duration of the furlough) whose pay and benefits are **eligible** for either full or partial appropriated fund subsidies (known as “UFM” funding)
  - **Employees deemed “Non-Excepted” will be furloughed when notification of the government shutdown has been received. These employees will be placed in FUR code which is similar to leave without pay status. Employee will remain FUR until the resolution of the shutdown/furlough.**
  - Employees deemed “Non-Excepted” will be notified via letter.
  - It is undetermined at this time if employees deemed Non-Excepted will be retroactively paid once the government resumes operations.

**NOTE: Employees that are furloughed are NOT authorized to “volunteer” to work in a LWOP status.**

**On Call Capability.** An employee that is originally furloughed may be called in to work if needed to accomplish tasks that are deemed essential. These employees will not be paid during the furlough but will be paid retroactively once the furlough is over.

Determination of who is or is not deemed “Excepted” is not subjective and is defined clearly by the Department of Defense (DoD) and the Department of the Navy (DoN). Compliance with the DoD and DoN is mandatory.

Just as there are defined categories of civilian employees, there are also defined categories of activities:

- Activities that are deemed Business Operations (retail) will remain open and unaffected by the government shutdown.

- Examples of Activities that may be deemed essential and therefore “exempt” from the furlough are:
  - Suicide prevention, casualty, substance abuse etc.
  - Mess halls, physical training (military), child care activities.
    - These activities may be staffed with minimum number of positions to accomplish the mission
    - When appropriate, military personnel may be used to staff these type of activities in lieu of civilian employees that have been furloughed
- Examples of Activities that may be deemed non-essential and therefore subject to the furlough are:
  - Routine training, portions of support positions (finance, HR, IT, MCFTB, procurement etc)

### **HR and Benefits Information During a Government Shutdown/Furlough**

**Leave** – (sick and vacation). During the shutdown, **employees in Group 2 and 3 will NOT be permitted to use annual leave, sick leave or accrued travel or regular compensatory time.** Employees on leave at the time of the shutdown **must be taken OFF leave** and placed in a FUR status. Employees who are deemed Excepted and therefore exempt from the furlough may not be granted paid leave. If an Excepted employee is unavailable to be at work and perform their duties, they must be placed on furlough. An employee’s furlough status may be terminated if the employee’s services are still required for exempt activities following their absence.

**Travel/TAD** – that is initiated prior to the shutdown may continue as long as the purpose for the travel can be accomplished (i.e. a conference that will still be held regardless of the shutdown). If not, travelers should terminate their TAD. Once the shutdown has commenced, only travel that is crucial/essential should be initiated.

**Unemployment** - Unemployment Insurance – Federal employers are required to provide employees with an SF-8, Notice to Federal Employee About Unemployment Insurance, if they will be in a non-duty status for seven or more days. For this reason, the SF-8 should be distributed to furloughed employees, since it is not known how long the furlough will last. Please refer to the guide sheet “Unemployment Compensation by State” for a list of links of state unemployment agencies.

**Workers Comp (WC)** – employees already receiving WC will continue to receive these benefits. However, employees will not be able to supplement their WC with leave.

### **Benefits**

- Health and Life: Furloughed employees enrolled in health/life plans will continue to have coverage, however, they will accrue premium arrears (provided the mandatory FUR hours are passed in payroll) and will be obligated to pay their retroactive share of health/life care premiums when they return to a paid status.

- 401(k): Furloughed participants will have contributions deducted if retroactively paid, on the full retro pay when the furlough is over and they return to work in a paid status. 401(k) loan payments will not be taken retro – Fidelity will contact the employee regarding the missed payment and require payment with a payment coupon that will be sent to the employee.
- Retirement: Contributions will commence to be deducted from the retro pay when the employee returns to work in a paid status. Credited service will be adjusted, if applicable, once contributions are deducted. This also applies to NAF employees that retained FERS or other Federal pension participation as a result of their portability election.
- Long Term Care: Premiums are not deducted retroactively and the employee will be contacted by CNA Insurance to remit payment with a payment coupon.
- Flexible Spending Account: Deductions are not collected retroactively. The annual obligation elected by the participant will be re-amortized when they return to work in a paid status. Employees will not be able to be reimbursed for expenses incurred during the LWOP time period, when no deductions were taken.
- **FMLA:** No days associated with the government shutdown furlough period will be counted against an employee’s 12-week FMLA leave entitlement. Employees on FMLA will be coded FUR, similar to all other furloughed employees.

**\*\*\*\*\* URGENT - PeopleSoft HRMS HR, Payroll, Manager, Employee Guidance\*\*\*\*\* :**

In order to clearly identify, track and accurately pay these 3 categories, it is important that HR, Payroll, Manager, and Employee users coordinate to key and monitor the three defined category groups following the below guidance:

- **Group 1)** HR does not make any entries in job data. Employee/Managers report and approve time in Time and Labor as they normally would. Payroll is processed normally.
- **Group 2)** HR makes an entry in job data effective the date of government shutdown for each employee in this group with an action of Leave of Absence, Reason of FURLOUGH - Exempt Working. Employee/Managers report and approve time in Time and Labor as they normally would. Payroll is processed normally for any hours prior to the government shutdown. Delayed payroll processing occurs for any hours on or after the effective date of government shutdown and will be processed retroactively with the next payroll following resolution.
- **Group 3)** HR makes an entry in job data the date of government shutdown for each employee in this group with an action of Leave of Absence, Reason of FURLOUGH - Not Working. Employee/Managers report and approve time in Time and Labor for ALL hours worked PRIOR to the effective date of the government shutdown as they normally would. Following Resolution, Employees/Managers must then retroactively update ALL hours on or after the effective date of government shutdown to reflect FUR and the quantity of hours for any regularly scheduled work hours. In the event this was to go beyond one pay period, Payroll will record FUR hours for furloughed employees for any regularly scheduled work hours.

**IMPORTANT:**

- All hours worked prior to the Government shutdown must be reported, approved, and processed on the regularly scheduled payroll processing date. It is imperative that all time worked is reported and payable time entries are reviewed and approved **PRIOR** to the effective date of the shutdown to ensure accurate and on time payroll processing.