

FAQs



COLORADO

**Department of Personnel
& Administration**

Labor Cost Reductions: Information for Employees

These frequently asked questions were developed for state agencies and institutions of higher education HR offices as a resource to address questions from state employees regarding labor reduction options that may affect them. These can be shared at the agency's discretion.

NOTE: These questions and answers are general in nature and are meant to give employees an overall impression of some concerns that may arise when facing employment decisions. They are not all encompassing, nor do they address all specific situations.

Please consult with the Attorney General's Office to make the most informed labor cost reduction decisions and before communicating with employees. If employees have additional questions or need further clarification, they should contact their agency's HR office.

Voluntary Reduction in Pay

1. Q: What is a voluntary reduction in pay?

A: A voluntary reduction in pay occurs when an employee volunteers to reduce their base pay for a predetermined amount of time.

2. Q: If I have a voluntary reduction in pay what happens to my leave and benefits?

A: A voluntary reduction in pay has no impact on your service date, leave accrual rates, or benefits. When the reduction period is over, base pay returns to the regular amount. However, a voluntary reduction in pay may affect the highest average salary calculation for PERA benefits.

3. Q: If I have a voluntary reduction in pay, am I eligible for unemployment benefits?

A: Possibly. You could be eligible for regular unemployment benefits up to 26 weeks. You might also be eligible for \$600/week due to the CARES Act on top of your regular unemployment benefits and up to 13 additional weeks of extended unemployment benefits. You would need to [file a claim online](#) and request payment every two weeks and CDLE will make the eligibility determination.

Voluntary Reduction to Part-time

4. Q: What is a voluntary reduction in work hours?

A: A voluntary reduction in work hours is when an employee's schedule is reduced by agreement between the employee and the appointing authority. For example, instead of working 40 hours a week, they work 32 hours a week.

5. Q: If I have a voluntary reduction in work hours what happens to my leave and benefits?

A: Pay is reduced for the specified time period due to working fewer hours. Leave accrual is prorated during reduction as well as years of service credit toward retirement. The agency continues to pay premiums as long as the employee covers their share. When an employee returns to their regular schedule, pay, leave accrual and service credit are returned to the regular rate; The employee is not eligible for the restoration of the full rates during the period of time they worked reduced hours.

6. Q: If I have a voluntary reduction in work hours am I eligible for unemployment benefits?

A: Possibly. It will depend on the total reduction in hours. If you are working fewer than 32 hours a week and earning less than the weekly amount that unemployment benefits pay (approximately 55 percent of your average wage over a 12-month time period), you may receive unemployment benefits.

You could be eligible for regular unemployment benefits up to 26 weeks. You might also be eligible for \$600/week due to the CARES Act on top of your regular unemployment benefits and up to 13 additional weeks of extended unemployment benefits. You would need to [file a claim online](#) and request payment every two weeks and CDLE will make the eligibility determination.

7. Q: Can I volunteer for a reduction in hours then take paid leave to make up the loss in pay?

A: No. This would eliminate the desired cost savings.

Job Sharing

8. Q: What is job sharing?

A: Job sharing is a means of pooling the talents and energies of two or more part-time employees to perform the work of one full time position. The typical approach to job sharing is when two employees mutually agree to reduce their hours and share a position, and bring the request to their leadership for consideration.

9. Q: If I transition to job sharing what happens to my leave and benefits?

A: Pay and hours are reduced according to the arrangement. Leave accrual is prorated during the reduction as well as service credit. The agency continues to pay insurance premiums as long as the employee covers their share.

10. Q: If I agree to job sharing am I eligible for unemployment benefits?

A: Possibly. It will depend on the total reduction in hours. If you are working fewer than 32 hours a week and earning less than the weekly amount that unemployment benefits pay (approximately 55 percent of your average wage over a 12-month time period), you may receive unemployment benefits.

You could be eligible for regular unemployment benefits up to 26 weeks. You might also be eligible for \$600/week due to the CARES Act on top of your regular unemployment benefits and up to 13 additional weeks of extended unemployment benefits. You would need to [file a claim online](#) and request payment every two weeks and CDLE will make the eligibility determination.

Voluntary Furloughs

11. Q: What is a voluntary furlough?

A: A voluntary furlough is offered to prevent the need for position reductions and/or abolishment when an executive director or president of a higher education institution officially declares a budget deficit in personal services. It provides unpaid job protection.

12. Q: Is a voluntary furlough full-time or can it be part-time also?

A: Yes, depending on the needs of the agency in conjunction with the employee. The voluntary furlough cannot exceed 72 work days in a fiscal year.

13. Q: If I am on a voluntary furlough what happens to my leave and benefits?

A: Employees are not paid while on voluntary furlough. Employees continue to earn sick leave, annual leave, and holidays while on voluntary furlough. The state continues to pay the state's contribution of benefits as long as the employee pays the employee contribution in a timely manner. Service dates are not adjusted but the reduction in pay may affect the highest average salary calculation for PERA benefits.

14. Q: What happens if I have a qualifying FMLA event while on voluntary furlough?

A: An employee who is on a voluntary furlough and experiences a qualifying event under the FMLA and state family medical leave (SFML) is removed from voluntary furlough and placed on FML and sick and/or annual leave is applied. Per rule 5- an employee on FML and SFML must exhaust all paid leave before being placed on unpaid leave which would include a voluntary furlough.

15. Q: What happens if there are not enough volunteers to meet the budget shortfall?

A: This would depend on the agency's needs and is up to the agency to determine how to proceed.

16. Q: Can I volunteer for a voluntary furlough and then take paid leave to make up the loss in pay?

A: No. This would eliminate the desired cost savings.

17. Q: I am FLSA exempt status, can my pay be reduced through a voluntary furlough?

A: FLSA exempt employees' pay is reduced pro rata in the workweek in which a furlough occurs.

18. Q: Am I eligible for EPSL or EPHL while on voluntary furlough?

A: An employee who is on voluntary furlough and experiences a qualifying event under the EPSL or EPHL is removed from voluntary furlough and provided the appropriate leave.

19. Q: If I am on voluntary furlough am I eligible for unemployment benefits?

A: Possibly. It will depend on the total reduction in hours. If you are working fewer than 32 hours a week and earning less than the weekly amount that unemployment benefits pay (approximately 55 percent of your average wage over a 12-month time period), you may receive unemployment benefits.

You could be eligible for regular unemployment benefits up to 26 weeks. You might also be eligible for \$600/week on top of your regular unemployment benefits and up to 13 additional weeks of expanded unemployment benefits. You would need to [file a claim online](#) and request payment every two weeks and CDLE will make the eligibility determination.

Layoff

20. Q: What is a layoff?

A: A process when employees are involuntarily separated from a position in the state position system due to abolishment of the position for lack of work, lack of funds, reorganization, or displacement by another employee exercising retention rights.

21. Q: What does "lack of work" and "reorganization" mean?

A: A lack of work occurs when the work previously performed by the employee is no longer necessary. This could occur when work that was previously performed manually becomes automated, when work on a grant project or program is completed, or when a position gets reduced to part-time.

Reorganization means a change in the fundamental structure, positions, and/or functions accountable to one or more appointing authorities. An example could be

combining two work units that perform similar functions, such as combining payroll and human resources into one work unit.

22. Q: What are retention rights and the “rule of 75”?

A: Retention rights provide for special treatment of eligible employees undergoing a layoff. Employees whose age and years of Public Employees' Retirement Association of Colorado (PERA) service totaled at least 75 on January 1, 2013, are eligible for retention rights (Rule 7-8). Generally, an eligible certified employee may exercise retention rights throughout the principal department in which they are employed.

23. Q: What is a retention area?

A: Board Rule 7-15 defines retention areas as the principal department or institution of higher education in which certified employees are employed and shall have retention rights. Departments and institutions of higher education are allowed to further limit retention areas upon advance approval of the State Personnel Board. Retention rights may, or may not, result in the offer of a different position within the defined retention area to the employee affected by layoff.

24. Q: Who initiates a layoff?

A: Executive directors or presidents of institutions of higher education have the discretion to make the business decisions as to how their department will continue to meet its mission after engaging in the layoff process.

A department head may delegate this authority to make any of the business decisions to subordinate appointing authorities within the department. Such delegation must be in writing and describe the parameters of the business decisions to be made by the subordinate appointing authority.

25. Q: What is a Layoff Plan and how is it communicated?

A: For any and all layoffs, after making its business decisions and ten days prior to issuing the first layoff notice, the department shall post a Layoff Plan, signed by the Executive Director, head of a principal department or designee. The Layoff Plan and notice must be placed in a conspicuous place where all impacted parties have access to view the posting, and on the department's internet or intranet website.

The purpose of the Layoff Plan is to facilitate strategic planning prior to the abolishment of any positions and to provide an open and transparent explanation for the elimination of positions and/or services. The Layoff Plan shall include the following:

- a description of the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing authorities;

- a list of the ranking factors, seniority, performance and if applicable veterans preference, and their relative weights;
- if applicable, an organizational chart setting out the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing authorities;
- the reasons for the change;
- the anticipated benefits and results, including any cost savings;
- a general description of the expected changes and their effects on employees;
- a description of how the work performed by the eliminated positions will be absorbed by the department; a listing of the classes in which positions will be abolished as contemplated in the Layoff Plan; and,
- if there have been any modifications to the special qualifications for positions affected by the Layoff Plan within sixty days or less prior to publication of the Layoff Plan, a list of such positions.

26. Q: If I am in a position that is being eliminated, how will I be notified and will I get advanced notice?

A: The department must provide written notice to certified and non-certified employees in the classified system who are to be laid off at least 10 business days before the layoff is effective.

A displaced certified employee who is separated shall be paid for at least 22 working days after receipt of the notice of displacement.

27. Q: Does the layoff process apply to both classified and non-classified employees?

A: Personnel Board Rules and Personnel Director's Administrative Procedures apply only to classified employees. Therefore, while budget reduction actions may impact both classified and non-classified employees, these FAQs only apply to classified employees.

28. Q: How do I know if I am a classified or non-classified employee?

A: If you are unsure if you are a classified or non-classified employee check with your Human Resources Office to determine your classification status.

29. Q: What must a department consider in determining who has retention rights?

A: The department must consider employees' status (i.e. whether employees are certified, probationary, or in some other status), seniority, and performance ratings in deciding who will be laid off.

30. Q: How does a department determine seniority?

A: Seniority is calculated by determining the total number of years of state service, (from the calendar year that service began), plus up to 10 additional years of military service for those eligible for veteran's preference. State service includes permanent status and state employment outside the state personnel system.

31. Q: How does employment status - certified, trial service, probationary - affect an employee's rights?

A: Trial service employees are treated as if certified in the trial service class during the layoff process. Conditional employees will be considered according to their previously certified class. Probationary employees must complete 12 months of service to become certified to the class for the position they occupy, and therefore do not have rights in the personnel system.

32. Q: Are any other financial resources available to laid-off workers?

A: The Colorado State Employee Assistance Program (CSEAP) is able to provide small grants to current state employees facing financial difficulties, for information contact C-SEAP by calling 303-866-4314 or 1-800-821- 8154 or visit the C-SEAP web site.

33. Q: Does the State offer employment counseling, resume writing services or other resources to help laid off workers find a new job?

A: The Colorado Department of Labor and Employment's Workforce Centers provide a variety of free services to assist job seekers including job listings, computer and internet access, and career counseling/training for job seekers. For more information, visit its website at www.coworkforce.com/EMP/wfcs.asp.

34. Q: What additional rights do I have as a veteran?

A: Veteran preference during layoff takes two forms: credit for years of military service and priority over other affected employees. Employees entitled to veteran preference in layoff receive military service credit for active military service, up to a maximum of ten years, toward their total state service on a year-for-year basis. When crediting partial years of military service, round to the next whole year. Note that if an employee served 20 or more years in the military, the employee is not eligible for any military service credit.

35. Q: How do I prove I am eligible for veteran's preference?

A: You must provide your department's HR office with a copy of all DD214's in order for HR to determine if you are eligible for veteran's preference.

36. Q: What is a “reemployment list?”

A: Reemployment refers to the right of an employee to be returned to or rehired to the class from which they were separated from in a layoff. A reemployment list contains the names of certified employees in a specific job class who have been laid off, who voluntarily demoted in lieu of layoff, or who rejected a retention offer. Persons on a reemployment list are to be considered first, before an agency or institution can post a position for open recruitment. This list is valid for one year. When filling a vacancy, a reemployment list must be used before any other type of employment list can be used.

Reemployment lists are department specific but may be discretionarily used by other departments or for other related classes at the same or lower pay grade.

37. Q: What happens to a certified employee placed on a reemployment list?

A: Certified employees or former certified employees who are on a reemployment list are given first consideration for any open vacancy that they qualify for, for a period of one year. If there is more than one employee on a department reemployment list, all qualified employees are referred for the position.

38. Q: If I am laid off what happens to my leave, benefits, and PERA contributions?

A: You will be paid for all accrued annual leave up to the maximum accrual rate. If you are retirement-eligible on the date you are laid off, you will be paid $\frac{1}{4}$ of your accrued sick leave up to the maximum accrual rate. The maximum accrual rate for sick leave is 360 hours for employees hired on or after 7/1/88. Employees hired prior to 7/1/88 may have an individual maximum accrual rate that exceeds this amount.

Laid off employees are eligible for COBRA medical and dental insurance and are responsible for paying the premium cost. Laid off employees who are retirement eligible may have the option of enrolling in PERA’s health care program.

You have two options in regard to your PERA member account: (1) leave your account with PERA for future refund or benefit where it will remain tax deferred and continue to accrue interest retirement contributions in PERA or (2) withdraw your account either by receiving a direct payment or by rolling it over to another tax-deferred plan and/or IRA. If you make the withdrawal and return to state service or any PERA employer at a later time, you will start as a new employee in regard to PERA. Be sure to research IRS implications or penalties regarding any decisions you make with your pension account.

39. Q: How do I contact PERA?

A: Employees should contact PERA directly for specific information about retirement, years of service, and other PERA matters. PERA can be reached at 1-800-759-7372, Monday-Thursday, 7:00 a.m. to 5:30 p.m.; Friday, 7:00 a.m. to 4:30 p.m. (Mountain

time). For deaf or hard-of-hearing dial 711 to contact Relay Colorado. Additional information is available at www.copera.org.

40. Q: If I am laid off, am I eligible for unemployment benefits?

A: Colorado's Unemployment Insurance Program provides temporary and partial wage replacement to workers who have become unemployed through no fault of their own. You could be eligible for \$600/week due to the CARES Act on top of your regular unemployment benefits and up to 13 additional weeks of expanded unemployment benefits. You would need to [file a claim online](#) and request payment every two weeks.

41. Q: If I am in a position that is to be eliminated and eligible to retire, can I retire prior to the layoff becoming effective?

A: Yes.

42. Q: Does the State offer resources for dealing with the stress or other emotional issues associated with a layoff?

A: CSEAP is a professional assessment, referral and short-term counseling service offered to state employees with work-related or personal concerns, as well as a resource for supervisors and managers. If you wish to avail yourself of their services and you have received a layoff notice, make sure to contact and meet with C-SEAP before your termination date as services are not available to former employees. (If you have an active case, C-SEAP may offer one courtesy session after termination.) C-SEAP counselors are available from 8:00 AM to 5:00 PM, Monday through Friday. Contact C-SEAP by calling 303-866-4314 or 1-800-821-8154 or visit the CSEAP website.

Voluntary Separation Incentive Program (VSIP)

These [VSIP Template FAQs](#) were provided by the Attorney General's Office.

- NOTE: These questions and answers are general in nature and are meant to give employees an overall impression of some of the concerns that might arise when considering the VSIP. They are not all encompassing, nor do they address all specific situations. Please consult with the Attorney General's Office to make the most informed labor cost reduction decisions and before communicating with employees. If employees have additional questions or need further clarification, they should contact their agency's HR office. If employees have additional questions or need further clarification, they should contact their agency's HR office.