



**CITY OF MILWAUKEE**  
**Department of Employee Relations**  
**May 4, 2020 Revised May 15, 2020**

**FURLOUGHS AND WORK-SHARE PLANS**

**FREQUENTLY ASKED QUESTIONS**

This document provides important information for employees and departments to understand recommendations regarding temporary furloughs and reduction in work hours through workshare plans. Unless indicated otherwise, the information provided is the same for furloughs and partial reduction of hours through Work-Share Plans approved by the State of Wisconsin DWD – Unemployment Division.

**I. GENERAL CONSIDERATIONS**

**1. Are employees allowed to perform any work during a period of furloughed or reduced hours?**

No. An employee who is being furloughed or whose hours have been reduced in conjunction with the implementation of a Work-Share Plan approved by the State of Wisconsin is prohibited from doing any work during the period of furlough or reduction of hours.

**2. Are employees allowed to work more than their scheduled amount of hours as established in the workshare program?**

No. Employees in a workshare program must only work the number of scheduled hours per the workshare program. If departmental needs change, the Department must report the change to DER and may have to modify the Work-Share application as determined by the DWD.

**3. How do employees enter their time in CityTime while in a workshare program?**

Guidance on payroll and time entry has been provided to payroll clerks. Please contact your departmental payroll with questions.

**II. UNEMPLOYMENT INSURANCE**

**4. Can employees who are being furloughed full time receive unemployment?**

Yes. The State of Wisconsin makes eligibility determinations based on the information a claimant provides when they file for unemployment. Employees who are furloughed are eligible for the unemployment as long as they meet all other state-established eligibility rules. However, if an employee has a secondary source of income from another employer, the employee may not qualify for unemployment benefits. Employees who believe that their unemployment

eligibility will be impacted by income from a secondary job, should immediately inform the Personnel Officer from their department for a possible reconsideration of being furloughed.

Employees will be encouraged to file for unemployment as soon as possible once the effective date of the furlough implementation is known. The City is currently working with the DWD to obtain information and guidance to be given to employees to help them navigate the application process.

**5. Can employees who are participating in the workshare program receive unemployment?**

Yes. The State of Wisconsin makes eligibility determinations based on the information a claimant provides when they file for unemployment. Under a Work-Share Program, workers whose hours are reduced under an approved Work-Share plan can receive unemployment benefits that are pro-rated for the partial work reduction as long as they meet all other state-established eligibility rules. Please note that if an employee has income other than from the City, the employee may not qualify for unemployment benefits. The employee should immediately inform their Department Personnel Officer for a possible reconsideration of being in the workshare program.

Employees are encouraged to file for unemployment as soon as possible once the effective date of the implementation of the reduced hours is known. The City is currently working with the DWD to obtain information and guidance to be given to employees to help them navigate the application process.

**6. How does regular Unemployment Insurance work?**

Generally speaking, UI makes temporary payments to workers who become involuntarily unemployed and meet state-established eligibility rules.

**7. How much do individuals receive with UI benefits?**

These determinations are made by the state, not the City. A general way to determine UI benefit rates is to take 1% of an employee's annual salary, capped at \$370 dollars per week. For example, an employee who makes \$20,000 will get \$200/week; an employee who makes \$35,000 will get \$350 per week; an employee who makes \$37,000 or more will get \$370 per week. It is important to note that under the CARES Act approved, there is an additional \$600 weekly benefit payable to any employee eligible to receive unemployment benefits due to furlough decisions or due to reductions in work hours under an approved Work-Share Plan with the DWD.

This means that in addition to the unemployment benefit received by employees who are furloughed or employees whose hours have been reduced, a weekly benefit of \$600 will be received. This ensures that City employees will either be made whole or will receive weekly benefits that exceed their weekly salaries for the duration of the furloughs or the work hours reductions anticipated to last not later than the end of July.

**8. Are UI payments taxable to the individual?**

Yes. UI is counted as income and taxed on individual tax returns.

**9. Are work searches required for furloughed employees?**

No, but employees must file an unemployment application and weekly certification

**10. What did the CARES Act change related to UI benefits?**

The CARES Act created three programs that work together to extend benefits to those previously ineligible, expand access to benefits, and provide additional compensation to those qualified to receive benefits.

**11. How did the CARES Act change the one-week waiting period?**

The Act incentivized states to end one-week waiting periods by providing 100% federal financing for that waiting period week. On April 15, 2020, Wisconsin removed the one-week waiting period.

**12. How much compensation can individuals receive in UI benefits as a result of the CARES Act?**

The Act provides an additional federally funded \$600 per week on top of the weekly benefit amount determined by the state. This additional \$600 per week is taxable and will expire the week ending July 25, 2020.

**13. Is it possible for individuals to receive more in UI benefits than they received in their normal paycheck?**

The additional \$600 in weekly benefits is designed to keep most workers whole and some may temporarily receive more income than their normal paycheck.

**14. Where can employees get more information about filing for unemployment?**

Employees can file for unemployment benefits online at: <https://dwd.wisconsin.gov/uiben/apply>

**III. WORKSHARE PLANS**

**15. What is a workshare plan?**

Employees whose hours are reduced under an approved Work-Share plan receive unemployment benefits that are pro-rated for the partial work reduction. Instead of laying off or furloughing employees, an employer can plan to reduce work hours. The reduction of hours must be a set percentage of at least 10% but not more than 60% of the normal hours per week of each employee and will remain consistent every week. Reduction in hours is calculated against an individual's normal weekly work hours which cannot exceed 40 hours in a week for calculation purposes even if a salaried employee typically works more than 40 hours.

## **16. How much will employees in workshare programs receive in unemployment benefits?**

The employee is eligible to receive an amount equal to the employee's regular unemployment benefit amount multiplied by the employee's proportionate reduction in hours worked for that week as a result of the Work-Share Program. Work-Share plan employees who are eligible for benefits in a week are also eligible for the additional \$600 per week under the Federal Pandemic Unemployment Compensation program through 7/25/2020.

Full-Time Employee A works 40 hours per week and earns \$16 per hour and is otherwise eligible for benefits – Weekly Benefit Rate = \$370, 20% reduction in hours = 8 hours for a total of 32 hours worked.  $\$370 \times .20 =$  weekly benefit of \$74 under Work-Share Program.

Part-Time Employee B works 35 hours per week and earns \$14.00 per hour and is otherwise eligible for benefits – Weekly Benefit Rate = \$260, 15% reduction in hours = 5 hours for a total of 30 hours worked.  $\$260 \times .15 =$  weekly benefit of \$39 under Work-Share Program

Both employees A & B who are in workshare plans will receive an additional \$600/week in addition to their weekly benefit rate in the Work-Share Program through July 25, 2020.

## **17. Who is eligible to participate in a workshare plan?**

- Participating employees must be regularly employed by the employer.
- Only employees that have been employed by the employer for a period of at least three months on the effective date of the Work-Share Program can be participants.
- Full-time, part-time, salaried and exempt employees can participate.
- Seasonal, temporary, or staff employed on an intermittent basis are excluded.
- Any employee with a second job or other additional income may not receive unemployment benefits in the workshare program.

## **18. How will employees benefit from the program?**

- The reduction in hours will help avoid furloughs for some of employees.
- The employer must maintain coverage under any defined benefit or defined contribution retirement plan for employees who receive these benefits under the same terms and conditions as if the employees were not included in the program.
- The employer must maintain any health insurance coverage in place under the same terms and conditions as if the employees were not included in the program.
- Employees under an approved plan will not need to register for work or conduct a work search while in the plan. However, employees must be available for work with the employer participating in the Work-Share Program should the employer need extra hours beyond what is anticipated in the Work-Share Plan. Employees who refuse or fail to return to work upon a determination that their employing department needs them will be separated from employment in accordance with applicable rules and regulations.

**19. Where can employees find the State of Wisconsin DWD Unemployment published information on workshare programs?**

<https://dwd.wisconsin.gov/uitax/workshare.htm>

To file for benefits under a workshare plan, employees can file online at:

<https://dwd.wisconsin.gov/uiben/apply>

- Employees under an approved plan file an application and weekly certifications just as if they were filing for regular unemployment benefits.

**IV. EMPLOYEE BENEFIT CONSIDERATIONS**

**20. Will full-time or a reduced schedule affect employee benefits?**

- A. Health and Dental Insurance: Health and dental insurance benefits will be unaffected by the furloughs.
- B. Health and Dental Insurance Premiums: If an employee's check for a pay period which contains furlough days is not sufficient to cover a particular deduction *in its entirety*, the employee will be billed for the employee share of the Health and Dental Insurance Premiums on a monthly basis. Employees participating in a work share plan will continue to have the employee premium payment deducted from their paycheck.
- C. **Holiday Pay Furlough: Employees on mandatory furlough shall be granted a floating holiday in lieu of holiday pay for each City recognized holiday that is missed while on furlough. These floating holidays must be used by the end of the 2020 fiscal year.**
- D. **Holiday Pay Workshare: Employees working a reduced schedule due to a work-share plan will need to modify their work-share schedule to have the holiday included in the hours worked in the week that the holiday falls.**
- E. Wellness Services and Onsite Clinic Services: Employees can continue to use wellness programs and services including the Onsite Nurse Liaison, the Workplace Clinic and Injury Prevention Clinic.
- F. Onsite EAP Services: Employee can continue to utilize the City's onsite EAP for confidential counseling and referral services.
- G. Life Insurance: Because the life insurance benefit amount is determined by base salary rates, and not actual wages paid, furloughs will not change the amount of the benefit. For determining group life insurance eligibility, furlough time shall be considered as time of active service on the payroll. Furloughed employees enrolled in voluntary life insurance options will have any missed premium payments retroactively deducted from their paycheck once they return to work.
- H. Long-Term Disability: Long-term disability benefits are based on the earnings in effect on an employee's last full day of work and are defined as the employee's average monthly rate of earnings during the preceding 12 calendar months or during the employee's period of employment of less than 12 calendar months. Furloughs will have no effect on

the amount of a long-term disability benefit. Employees enrolled in LTD buy-up options will be billed for their monthly premiums.

- I. Flexible Spending Arrangements (FSA): FSA benefits will remain active and furloughed employee payroll deductions will be recalculated upon their return to work to reflect the annual FSA contribution amount selected. The recalculated deduction will be taken off their paycheck through the end of the year. Furloughs count as a qualifying event and employees can choose to their annual election.
- J. Retirement Benefits for full-time furloughs: Furloughed time will be counted as creditable service for pension purposes at the same rate as if the member was working their standard hours. Employees may set up an agreement through the Comptroller's Office to make up for the missed contributions for any furlough periods. Employees who do not make the contributions will not be given service credit for the period they were on furlough.
- K. Retirement Benefits for Employees on a Work-Share: Employees on a work-share will have pension contributions for their normal standard hours deducted from their paychecks while they are on the work-share.
- L. Sick Leave Accrual: An employee's eligibility to accrue sick leave will not be affected by the implementation of the furloughs.
- M. Sick Leave Incentive: An employee's eligibility for a sick leave incentive control day or pay will not be affected by furloughs.
- N. Sick Leave Pay: Employees who are furloughed or in a workshare program will continue to accrue sick leave at the same rate that they would have if they continued to work full time.
- O. Vacation: In calculating vacation eligibility and accrual, furlough time shall be considered as time of active service. Employees who are furloughed or in a workshare program will continue to accrue vacation at the same rate that they would have if they continued to work full time.

## **21. How will Deferred Compensation be affected by a furlough?**

A participant's contribution is calculated by a percentage (rather than a flat dollar amount) of an employee's monthly gross compensation on a before-tax or Roth after-tax basis. Should an employee be subject to furloughs or a reduced schedule, resulting in reduced compensation during a particular pay period, the contribution percentage will remain the same, however the amount contributed will be less due to the reduced compensation. Furloughed employees who are off the payroll will have no Deferred Compensation contribution made to the Plan during that pay period (in this scenario, contributions will resume in the subsequent pay period that the employee begins receiving compensation from the City). Please note that participants are able to alter their contribution percentage at any given time. More information about this, and contributions in general, can be found here:

[https://milwaukeeedcp.voya.com/einfo/planinfo.aspx?cl=MILWKE&pl=777806PU&page=plan\\_informationplanhighlightscontributingto&domain=milwaukeeedcp.voya.com&s=nuwbbuej0xouggvsc3vthpgc&d=dee23d3f8c0c939875f9d8325b06200be4b3c7d5](https://milwaukeeedcp.voya.com/einfo/planinfo.aspx?cl=MILWKE&pl=777806PU&page=plan_informationplanhighlightscontributingto&domain=milwaukeeedcp.voya.com&s=nuwbbuej0xouggvsc3vthpgc&d=dee23d3f8c0c939875f9d8325b06200be4b3c7d5)

If participants have questions or need assistance, please note the following ways they can reach out for more information:

- 1) **Schedule a phone consultation with a Local Voya Representative:** Telephonic appointments with our local Voya representatives will replace in-person one-on-one appointments (which will still count towards earning Healthy Rewards points) and can be scheduled via our Online Scheduler (<https://bookvf15.timetap.com/>) or by calling 844-360-6327 and requesting help from a Voya Customer Service Representative to book an appointment.
- 2) **Online:** Log in to [www.milwaukeeedcp.com](http://www.milwaukeeedcp.com) anytime to access your account information or make contribution changes.
- 3) **Contact with Inquires or Questions:** email the MDCP at [DEFCOM@milwaukee.gov](mailto:DEFCOM@milwaukee.gov), leave a message to speak with a MDCP staff member at 414-286-5541 (we'll return your call!) or call 844-360-6327 to speak to a Voya Customer Service Representative.

## **22. Can employees use leave benefits while on full-time furlough or partial furlough (workshare)?**

General Rule: Employees may not use paid leave during furlough periods.

- A. **069 time may not be used on furlough days.**
- B. Emergency Paid Sick Leave/Expanded FMLA (Families First Coronavirus Response Act) Leave: Employees are not entitled to then take paid sick leave or expanded family and medical leave during furlough days.
- C. FMLA Leave during furlough: Furlough days do not require an employee to take leave under the FMLA because there is no work-duty from which leave is needed. Furlough days do not impact an employee's benefits or job assignment, therefore, employees on FMLA, with paid substitution, will observe the furlough days during their FMLA leave. However, employees may be able to extend their FMLA leave by the number of furlough days they are required to take during their FMLA leave.
- D. FMLA Eligibility: Furlough days are considered to be regular days off and should not be counted when calculating leave eligibility. For example, when calculating whether the employee worked 1,250 hours in the previous 12 months under FMLA, furlough days are not counted as earned hours or days worked. In contrast, when calculating whether the employee has been employed by the City for at least 12 months, a week in which a furlough occurs would be counted as one week of service.
- E. Funeral leave: Employees eligible for funeral leave during a furlough day will follow the provisions as set forth in Chapter 350, Subsection 4, "Leaves of Absence" of the City of Milwaukee Code of Ordinances. Employees taking Funeral Leave that falls on a furlough day will be required to take the furlough day at a later date to be scheduled in a manner determined by the department head in increments of 8 hours.
- F. Jury Duty/Court Subpoena: If an employee is called to Jury Duty on a furlough day, the employee will not be paid by the City of Milwaukee for that day. Since the furlough day is considered an unpaid day, the employee will be allowed to accept the jury duty pay provided by the court during any designated furlough day. In addition, employees who

are under a subpoena to appear in court during a furlough day will be allowed to keep compensation received for appearing, but will not receive City pay for that day.

G. Military Leave of Absence: Leaves of Absence for Military Training and Civil Disturbances (Short Term Military Leave) – Employees who are on a short term military leave for training or civil disturbance during a furlough day or period will receive compensation in accordance with Chapter 350-36.

H. Military Leave of Absence (Long Term Military Leave) – Employees who are on a long term military leave during a furlough day or period will not be required to take a delayed, furlough day upon return from military leave.

Unpaid Leave of Absence: If an employee is already in an unpaid leave status at the time they are designated for furlough, they will not have to take an alternative furlough date unless the furlough action is extended beyond their return date.

I. Sick Leave and Vacation Days: Employees may not substitute paid leave for furlough days. Furlough days are not paid regardless of whether the benefits-eligible employee was on sick leave the day before, the day after, or on both sides of the furlough day. Employees in a workshare plan who use more than 16 hours of sick and/or vacation time will be ineligible for unemployment benefits in that week. Employees should still file a weekly claim but report the use of sick/vacation time and not expect to be paid benefits. Departments should allow workshare employees to use up to 40 hours of paid leave in the week that an employee is unavailable for work instead of capping the time at their reduced hours to avoid any loss in income during that week.

**23. Do furloughs and workshare plans change probationary periods or seniority dates?**

A. Probationary period: With the implementation of furloughs or reduced hours through a workshare plan, probationary periods will not change. The length of probation will be calculated based on actual time served in a position.

B. Seniority Date: Furloughs or reduced hours through a workshare plan do not constitute a break in service; therefore, there will be no adjustment to an employee's seniority date.

#### **24. Who can employees contact with questions?**

Employees can contact Departmental HR personnel with all questions and concerns on temporary furloughs and workshare plans.