



**CITY OF MILWAUKEE**  
**DEPARTMENT OF EMPLOYEE RELATIONS**  
**Temporary Furlough and Work-Share Policy and Administrative Guidelines**

**Department of Employee Relations**  
**May 15, 2020**

**DEPARTMENT OF EMPLOYEE RELATIONS**  
**Temporary Furlough and Work-Share Policy and Administrative Guidelines**

**Table of Contents**

<b>BACKGROUND AND GENERAL INFORMATION .....</b>	<b>3</b>
<b>DEFINITIONS.....</b>	<b>4</b>
<b>I. APPLICABILITY .....</b>	<b>5</b>
<b>II. PAY AND SALARY CONSIDERATIONS.....</b>	<b>5</b>
<b>III. BENEFIT CONSIDERATIONS.....</b>	<b>5</b>
<b>IV. HOURS OF WORK /ALTERNATIVE WORK SCHEDULE CONSIDERATIONS.....</b>	<b>8</b>
<b>V. ADMINISTRATION OF LEAVE BENEFITS .....</b>	<b>8</b>
<b>VI. RECORDKEEPING AND PAYROLL CONSIDERATIONS .....</b>	<b>9</b>
<b>VII. GENERAL CONSIDERATIONS .....</b>	<b>9</b>
<b>INDEX .....</b>	<b>10</b>

# CITY OF MILWAUKEE

## DEPARTMENT OF EMPLOYEE RELATIONS

### Temporary Furlough and Work-Share Policy and Administrative Guidelines

May 15, 2020

#### BACKGROUND AND GENERAL INFORMATION

The City's Budget and Management Director has estimated the lost revenues associated with the response to COVID-19 to be approximately \$26.5 million for the period covering March to August of this year. Suspension of functions and service adjustments will continue to have an impact on the City's financial position. The length of the pandemic and the resulting economic slowdown, although difficult to project, will create long term fiscal challenges for the City. The measures recommended to the CC represent initial interventions being pursued to minimize implementation of City-wide furloughs, layoffs and/or permanent reductions in services.

Service reductions will be implemented through furloughs and reduced work hours for most general city services that are not substantially dedicated to the mitigation and response to the COVID-19 emergency. Such service reductions are consistent with practices and decisions being considered and implemented by many private and public sector employers across the nation. The National League of Cities has reported that at least 76% of municipalities with population of 500,000 and above are anticipating having to cut public services and approximately 59% are implementing furloughs.

While the City is under the governor's Safer-At-Home order or a comparable order from a local health authority and while considering that city services may only resume gradually once restrictions are lifted, departments have been asked to identify employees who are not able to telework who have continued to receive their salary consistent with the provisions of the Severe Weather Policy. Departments have also identified functions or services that can be temporarily suspended or reduced without severely impacting critical infrastructure services needed by our residents.

While decisions to furlough and reduce work hours for some general city employees are difficult to make, it is important to understand that careful consideration has been given to the following:

- Provisions of the CARES ACT expand unemployment benefits to individuals who may be otherwise ineligible and provide an additional Federal Pandemic Unemployment Compensation weekly benefit of \$600 beyond what employees are eligible to receive.
- Furlough decisions have been restricted to employees with salaries of \$50,000 or less to ensure that between the unemployment benefits that they are eligible to receive and the FPUC benefit of \$600, they will be made whole and in some cases they will receive a weekly benefit that exceeds their weekly salary.
- Decisions to reduce work hours have been made consistent with provisions of the Department of Workforce Development Work-Share Programs. Such programs allow the City to reduce work hours by 10% but no more than 60% instead of laying off or furloughing workers and allow the employees whose work hours have been reduced to receive unemployment benefits that are prorated for the partial work reduction.

- The implementation of furlough or reduced work hours would be effective after approval from the Common Council and consistent with departmental decisions regarding timely delivery of critical services. Such plans may be revised as needed depending on the needs of the departments and the schedule of resumed regular or limited services. For example:
  - Parking Enforcement Officers furloughed in conjunction with this initiative would be returned to work upon a decision to start full enforcement of parking regulations.
  - Employees from the Municipal Court working reduced schedules under a Work-Share Plan would be “recalled” upon a decision by the Judges and the Chief Court Administrator to start holding hearings.
  - Employees from the Milwaukee Public Library who are furloughed or on a reduced schedule would be returned to work as soon as services are expanded beyond those allowed under applicable state or local orders.
- Furloughs and reduced work schedules are not anticipated to extend beyond the end of July as that is consistent with the expiration of the \$600 weekly FPUC benefit.
- The Cares Act allows the City to recover the cost of unemployment benefits paid as a result of furlough and reduced work hours. This reimbursement will assist the City in closing the gap given anticipated lost revenues.
- Employees will remain enrolled in and have access to important benefit coverage including health and dental insurance, onsite clinic services, and wellness programs. Time off the payroll for employees as a result of the implementation of furloughs and reduced hours will not impact service credit for sick leave, vacation, or pension purposes.
- Employees who can be re-deployed to the Milwaukee Health Department to support COVID-19 mitigation and response are being identified based on a workforce re-deployment plan being worked on by MHD and DER. Such employees will be transferred from their current assignments or “recalled” from furlough status as necessary.

## **DEFINITIONS**

Cabinet Departments– departments under the direction of a public official appointed by the Mayor per provisions 62.51 of the Wisconsin State Statutes.

Non-Cabinet Departments – City Clerk’s Office, City Attorney, City Treasurer, Comptroller, Municipal Court, Employee’s Retirement System.

Creditable Service – membership service for which credit is allowed under the City Charter for retirement purposes. The Pension Board determines how much service in any years is equivalent to one year of creditable service.

FLSA-Exempt Employee – an individual designated by DER as being employed as bona fide executive, administrative, professional or computer employees, as defined by the Fair Labor Standards Act (FLSA). FLSA-exempt employees are paid on a “salary basis”. This requires that the exempt employee receive his or her entire salary for any work week in which he or she performs any work.

FLSA-Non-Exempt Employee – an employee who is entitled to be paid for all actual hours that he/she is required or permitted to work, including overtime hours.

City of Milwaukee Temporary Furlough and Work-Share – Policy and Administrative Guidelines

Furlough-Eligible – Employees with salaries of \$50,000 or less. The selection of this salary point ensures that between the unemployment benefits and the Federal Pandemic Unemployment Compensation that employees may, at least, be made whole.

Work-Share Plan – A reduction of work hours of at least 10%, but no more than 60%. Employees in a work-share plan may also be eligible for partial unemployment benefits and the Federal Pandemic Unemployment Compensation which should also ensure that employees may, at least, be made whole.

## **I. APPLICABILITY**

All city officials and most employees will be subject to temporary furloughs as specified under City Proclamation and Common Council file 200020 and excluding those listed below. The Department of Employee Relations and the Budget and Management Division are responsible for developing furlough operational details and policy guidelines necessary to administer the implementation of temporary furloughs and work-share plans.

The implementation of furloughs and work-share plans across City departments is delineated below:

- 1.1 CABINET and NON-CABINET DEPARTMENTS: will comply with the temporary furloughs and work-share plans to be scheduled per Common Council action.
- 1.2 EXCLUDED DEPARTMENTS & SERVICES: Essential infrastructure support functions and those working to support activities and services dedicated to the mitigation and response to the COVID-19 pandemic.

## **II. PAY AND SALARY CONSIDERATIONS**

- 2.1 Overtime and Compensatory Time  
The terms and conditions describing overtime and compensatory time contained in the Milwaukee Code of Ordinances will apply. Temporary furlough time and reduced hours due to a work-share plan will count as hours worked.
- 2.2 Working Additional Hours to Offset Loss of Pay  
Overtime is not permitted for the purpose of making up reduced hours due to a work-share plan. Making up reduced hours will not achieve the savings expected with the implementation of this initiative.
- 2.3 Salary Anniversary Date/Salary Advancement Date  
Will not be changed or adjusted as a result of the furloughs or reduced hours due to a work-share plan. In determining the completion of each year of service, furlough time and reduced hours shall be regarded as being regularly at work.

## **III. BENEFIT CONSIDERATIONS**

- 3.1 Benefits Service Date  
An employee's benefits service date shall not be changed due to temporary furlough days.

3.2 EAP

Onsite EAP Services: Employees can continue to utilize the City's onsite EAP for confidential counseling and referral services.

3.3 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.

3.4 Health and Dental Insurance

Health and dental insurance benefits will be unaffected by the furloughs and work-share plans.

Employees on furlough will be billed on a monthly basis for the employee share of the insurance premiums. Employees participating in a work-share plan will continue to have the employee premium payment deducted from their paycheck on a bi-weekly basis except in months where there are three paychecks. During months where there are three paychecks deductions will only be taken on the 1<sup>st</sup> and 2<sup>nd</sup> check of that month.

3.5 Holiday Pay

Employees on 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.

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.

3.6 Life Insurance

Because the life insurance benefit amount is determined by base salary rates, and not actual wages paid, furlough time and reduced hours due to a work-share plan will not change the amount of the benefit. For determining group life insurance eligibility, furlough time and reduced hours 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.

3.7 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. Furlough time and reduced hours due to a work-share plan 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.

3.8 Retirement Benefits

Time spent on furlough or in a work-share plan will not reduce a member's service credit or the member's final average salary.

3.9 Call-in/Show-Up Pay

Call-in/Show-Up Pay will be administered in accordance with Part II of the Salary Ordinance.

- 3.10 Sick Leave Accrual  
An employee's eligibility to accrue sick leave will not be affected by the implementation of the furlough reduced hours due to a work-share plan.
- 3.11 Sick Leave Incentive  
An employee's eligibility for a sick leave incentive control day or pay will not be affected by the implementation of furlough reduced hours due to a work-share plan.
- 3.12 Sick Leave Pay and 069 Time  
Employees typically may not substitute paid sick leave or 069 time for furlough time or reduced hours due to a work-share plan. 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.
- 3.13 Tuition Benefit  
All courses for which tuition benefit has been approved during a furlough or during reduced hours due to a work-share plan must be attended on the employee's own time. Employees in a work-share plan may be able to flex their schedule to attend training if approved by the Department Head.
- 3.14 Unemployment Insurance  
Eligibility for unemployment insurance benefits is determined by the state's Unemployment Compensation Division. The State of Wisconsin makes eligibility determinations based on the information a claimant provides when they file for unemployment. If an employee has income other than from the City, they may not qualify for unemployment benefits. The employee should immediately inform their department personnel officer of their additional income for a possible reconsideration of being furloughed or placed in a work-share program.
- In addition to the regular unemployment benefit the CARES Act has expanded unemployment benefits to individuals who may otherwise be ineligible and has provided an additional Federal Pandemic Unemployment Compensation weekly benefit of \$600 beyond what employees are otherwise eligible to receive.
- 3.15 Uniform and Clothing Allowance  
Furlough time or reduced hours due to a work-share plan will not count against an employee's eligibility for uniform and clothing allowance.
- 3.16 Vacation  
In calculating vacation eligibility and accrual, furlough time and reduced hours due to a work-share plan shall be considered as time of active service. Typically vacation days may not be substituted for furlough time or reduced hours. 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.

3.17 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.

#### **IV. HOURS OF WORK /ALTERNATIVE WORK SCHEDULE CONSIDERATIONS**

4.1 FLSA-Exempt Employees

Employees excluded from the provision of s. 350-5 of the Milwaukee Code of Ordinances (Exclusion from Overtime) employees who are part of a work-share plan may be able to work a flexible schedule within the confines of the work-share plan as authorized by the Department Head.

#### **V. ADMINISTRATION OF LEAVE BENEFITS**

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

5.1 FMLA

Hours reduced due to a work-share plan do not require an employee to take leave under the FMLA because there is no work-duty from which leave is needed. Reduced hours do not impact an employee's benefits or job assignment, therefore, employees on FMLA, with paid substitution, will observe the reduced hours during their FMLA leave. However, employees may be able to extend their FMLA leave by the number of reduced hours they are required to take during their FMLA leave.

Whether an employee's FMLA leave would be extended is dependent on the individual employee's specific circumstances. Therefore, it is recommended that should this situation occur; please contact the City Attorney's Office with questions.

Reduced hours 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, reduced hours 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 reduced hours occur would be counted as one week of service.

5.2 Funeral leave

Employees eligible for funeral leave while participating in a work-share plan 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 day with reduced hours will be required to flex their schedule for the week in order to have the funeral leave day fall on a day without reduced hours, as approved by the Department Head.

5.3 Jury Duty/Court Subpoena

If an employee is called to Jury Duty during furlough time, the employee will not be paid by the City of Milwaukee for that day. Since furlough time is considered unpaid time, the employee will be allowed to accept the jury duty pay provided by the court during any designated furlough time. In addition, employees who are under a subpoena to appear in court during furlough time will be allowed to keep compensation received for appearing, but will not receive City pay for that day.

5.4 Leave accrual dates

Furlough time and reduced hours due to a work-share plan do not impact leave accrual dates.

City of Milwaukee Temporary Furlough and Work-Share – Policy and Administrative Guidelines



## VI. RECORDKEEPING AND PAYROLL CONSIDERATIONS

### 6.1 DWD Work-Share Requirements

All employees participating in a work-share plan must keep an hourly time card for the duration for the work-share plan. This includes FLSA exempt employees. An employee cannot work more hours than are provided for in their work-share plan, unless more hours have been approved by the Department Head. Working more hours than provided for may result in the employee losing their partial unemployment benefit for that week, the employees ability to participate in the work-share plan, not being paid for hours worked that were not approved, and discipline.

6.2 Record-keeping for all employees during a work-share plan. During the duration of the work-share plan, each employee's time must be recorded on the time-entry system under the appropriate pay code for all hours worked and under the pay code FRL to account for the reduced hours that are not worked. In addition, during the duration for the work-share plan, the employee must also record all time (paid and unpaid) for the week on a paper time reporting form, which will be made available to payroll clerks and on the MINT.

6.3 Record-keeping for all employees on furlough time. All employees who are furlough time must be recorded on the time-entry system under the FRL pay code.

### 6.4 Record Retention Requirements

All-time records for otherwise exempt employees during furlough weeks should be retained by payroll personnel for at least three years.

## VII. GENERAL CONSIDERATIONS

### 7.1 Administrative hearings

Employees scheduled to attend administrative hearings will be compensated for their time.

### 7.2 Probationary Period

With the implementation of furlough time and work-share plans, probationary periods will not change. Probationary periods will be calculated based on actual service.

### 7.3 Seniority Date

Furlough time and reduced hours due to a work-share plan do not constitute a break in service; therefore, there will be no adjustment to an employee's seniority date.

## INDEX

069 Time, 7  
Administrative hearings, 9  
Benefits Service Date, 5  
Call-in/Show-Up Pay, 6  
Court Subpoena, 8  
DWD Work-Share Requirements, 9  
EAP, 6  
Flexible Spending Arrangements (FSA), 6  
FLSA-Exempt Employees, 8  
FMLA, 8  
Funeral leave, 8  
Health and Dental Insurance, 6  
Holiday Pay, 6  
Jury Duty, 8  
Leave accrual dates, 8  
Life Insurance, 6  
Long-Term Disability, 6  
Onsite Clinic Services, 8  
Overtime and Compensatory Time, 5  
Probationary Period, 9  
Record Retention Requirements, 9  
Record-keeping for all employees during a work-share plan, 9  
Record-keeping for all employees on furlough time, 9  
Retirement Benefits, 6  
Salary Advancement Date, 5  
Salary Anniversary Date, 5  
Seniority Date, 9  
Sick Leave Accrual, 7  
Sick Leave Incentive, 7  
Sick Leave Pay, 7  
Tuition Benefit, 7  
Unemployment Insurance, 7  
Uniform and Clothing Allowance, 7  
Vacation, 7  
Wellness Services, 8  
Working Additional Hours to Offset Loss of Pay, 5