

	Montana Operations Manual Policy	Category	Human Resources/ Employee Benefits
		Effective Date	03/27/2018
		Last Revised	12/30/2019
Issuing Authority	Department of Administration State Human Resources Division		
Furlough Policy			

I. Purpose

This policy establishes uniform agency procedures for implementing furloughs in Montana state government.

II. Scope

This policy covers Montana's executive branch employees, except those employed by the Montana State Fund, the Montana university system, elected officials, personally appointed staff of elected officials, and other employees exempt from policy under §§ [2-18-103](#) and [-104](#), MCA.

Agencies shall follow the provisions of this policy unless they conflict with collective bargaining agreements or other agreements negotiated by collective bargaining units and the state of Montana. Such agreements will take precedence to the extent applicable.

III. Procedures

A. Application

1. Work furloughs are involuntary time off without pay to reduce personal services expenditures in a fiscal year. A furlough may be for any period of time during a fiscal year as long as it does not exceed 15 consecutive days. Involuntary time off for more than 15 consecutive days is a reduction in force.

2. Furloughs must apply to all employees in a work unit, such as a section, bureau, division, or agency. A furlough may not be applied to an individual employee or to a work unit with only one employee. Agency management may implement a furlough for an entire division or agency to limit the impact when budget restrictions occur for smaller work units or groups, such as federally funded positions.
3. When determining which positions to furlough, agencies shall evaluate when an employee's absence would present a reasonable likelihood that the safety of life or the protection of property would be significantly compromised by the failure to perform the job function in question. Employees in these positions may not be furloughed. Positions within a 24/7 facility must be carefully evaluated prior to determining a furlough.
4. State Human Resources recommends that agencies not furlough employees during work weeks in which a holiday occurs. See Section C below.
5. Collective bargaining agreements may impose specific requirements. Conduct a unit-by-unit, contract-by-contract analysis of how to furlough bargaining unit employees and comply with the notice requirements.

B. Written Justification and Notice Requirement

Agencies shall provide written justification to and receive approval from the Office of Budget and Program Planning prior to notifying employees of an impending furlough. Employees must receive at least 10 days' notice before being placed on furlough. The employee notice shall include the furlough end date, if known, or the process by which employees will be recalled if the date is unknown.

C. Leave Without Pay for Lack of Funds

1. Employees shall record any leave without pay for lack of funds using the furlough time sheet code. While in a furlough status, affected employees:
 - a. shall not report to work or conduct any official business;

- b. will not accrue sick or vacation leave and will not be able to use accrued sick, vacation, compensatory time leave, or other paid leave;
- c. will not incur a “break in service” for the purposes of calculating leave accelerator hours or longevity increments;
- d. may be eligible to draw unemployment benefits after applying for these benefits at <https://montanaworks.gov/>;
- e. must repay any unemployment benefits received if back pay is received upon return to work following a furlough;
- f. will continue to receive state share contributions toward the employee benefits administered by the Department of Administration Health Care and Benefits Division;
- g. will be required to cover normal out-of-pocket benefits costs;
- h. may not work hours at another time for the purpose of making up furlough time without management approval;
- i. may receive reduced holiday pay or may not be entitled to holiday pay if the furlough day is before or after a holiday (refer to the Holiday Policy for more details);
- j. will not earn service credit for retirement and may receive reduced retirement contributions;
- k. are not required to take leave under the FMLA because the furlough does not include work-duty from which leave is needed; and
- l. are not eligible for reduction in force or Employee Protection Act (§§ [2-18-1201](#), et seq., MCA) benefits.

D. Alternate Work Schedule

Employees whose schedule includes reduced hours on a normally scheduled furlough day have the same furlough requirements as other employees. Employees shall revert to a regular work week for the week involving a furlough. Employees working an alternative work schedule who have a normal day off on a scheduled furlough day shall observe an alternate furlough day.

E. Part-time Employees

1. Part-time employees observe the furlough time on a prorated basis according to their FTE status.
2. Part-time employees scheduled to work on a mandatory furlough day: The employee will be furloughed the number of hours equivalent to the FTE status. If part-time employees are scheduled to work more or less hours than their FTE status on a mandatory furlough day, the additional work or furlough hours can be scheduled at a later time at the department's discretion before the end of the fiscal year. For example, an employee in a 0.5 FTE status scheduled to work 8 hours on a mandatory furlough day would be furloughed for four hours and would make up the additional four hours at a later time before the end of the fiscal year.
3. Part-time employees NOT scheduled to work on a mandatory furlough day: The employee shall observe a furlough day on an alternate date. The number of hours furloughed will be equivalent to the FTE status. This mandatory furlough date will be scheduled at the department's discretion before the end of the fiscal year.

F. FLSA Requirements

Exempt employees furloughed under this policy lose their exempt status for the week of the furlough only. As a result, the exempt employee would be entitled to overtime if he or she works more than 40 hours in the week of the furlough.