

DLA FACT SHEET: Guidance and Information on Furlough

If the current continuing resolution expires at 12:01 a.m. on September 30, 2015, without passage of an FY 2016 appropriations bill or a further continuing resolution, Federal departments and agencies will be required to execute contingency plans for a lapse in appropriations (more commonly referred to as a "shutdown"). DLA operates almost exclusively through the Defense Working Capital Fund, and will not be directly or immediately impacted by a lapse in annual appropriations. DLA is taking action to conserve cash reserves and will continue operations in support of the warfighter. This means the majority of DLA employees will continue working until available funds are exhausted at which time "non excepted" DLA employees may become subject to furlough.

The following information pertains immediately to those employees who are paid through appropriated funds, and also to all employees should cash reserves be exhausted, prompting a broader furlough in DLA. DLA Employees whose salaries are funded through annual appropriations will not be able to work and will be furloughed, unless their duties qualify under the law as "excepted" to continue to work during periods of lapsed appropriations. Certain appropriated fund employees who perform functions that are *excepted from furlough* (left out) may continue to work. "Excepted employees" include employees who are (1) performing emergency work involving the safety of human life or the protection of property, (2) performing minimal activities as necessary to execute an orderly suspension of agency operations related to non-excepted activities, or (3) performing certain other types of excepted work. (Excepted employees should not be confused with emergency employees who must report for work in emergency situations such as severe weather; or with excepted service employees who are exempt from the requirements of the Civil Service Act.). DLA supervisors will notify employees of their status by memorandum which will provide further instructions.

- Federal agencies do not have the authority to pay their employees during a shutdown, regardless of whether the employees are working as "excepted" or furloughed as "non-excepted." "Excepted" employees will receive pay for hours worked when the Congress passes and the President signs a new appropriation or continuing resolution. Congress will also determine whether "non-excepted" employees will receive pay for the furlough period. During a lapse in appropriations employees can be placed on furlough with no advance notice. Supervisors may notify employees face-to-face or by telephone call. However, employees do eventually receive a written notice that details their work status.
- Furloughed employees are in non-duty, non-work status. They cannot perform unpaid work or volunteer their services to their organizations, including telework.
- Excepted employees with a telework agreement may continue to work from home on their scheduled telework days, *unless* their supervisor determines their presence is necessary at the work site.
- Employees on Leave Without Pay remain on LWOP until the employee returns to duty. If the furlough is still in effect, those employees then transfer to a furloughed status until the agency returns all employees to work or they are recalled individually because of mission related need.
- All paid leave during a shutdown furlough period must be canceled because the requirement to furlough supersedes leave rights. The Antideficiency Act (31 U.S.C. 1341 et seq.) does not allow authorization of any expenditure or obligation before an appropriation is made, unless authorized by law. Paid leave creates a debt to the Government that is not authorized by the Act. Therefore, agencies are instructed that during a shutdown furlough, all paid leave must be canceled.
- Furloughed employees considering temporary jobs during the shutdown are still bound by the standards of ethical conduct and any agency applied rules for outside employment. Before taking a temporary job, employees should contact their agency's ethics official and review any applicable regulations.
- A short furlough (30 days or less) is not considered a break in service. Only an extended period of furlough (more than 30 days) affects the way creditable service is calculated for retirement or leave accrual. (Creditable service is the qualifying time in service that is credited to an employee for purposes of leave and retirement.) During a non-pay period time is credited as follows:
 - **To compute career tenure:** the first 30 calendar days of the furlough period are credited service.

- **To compute time served toward completing a probationary period:** a total of 22 workdays in a non-pay status are credited service.
- **To compute time-in-grade:** All time in a furlough status is credited.
- **To compute leave accrual hours:** Up to six months in non-pay status is creditable.
- A brief furlough also does not affect retirement, Thrift Savings Plan (TSP), health and life insurance.
 - **Federal Employee Health Benefits (FEHB)** continues for up to 365 days while the employee is in non-pay status; and the government continues to pay its contribution during this time.
 - **Life insurance** coverage continues for 12 consecutive months for furloughed employees without cost to the employee (or the government).
 - **TSP** contributions are discontinued during a furlough, but employees may obtain a TSP loan during that time.
 - **Flexible Spending Account (FSA)** deductions stop when an employee is in non-pay status and there are insufficient funds to cover the FSA premium.
 - **Long Term Care (LTC)** deductions also stop when an employee is in non-pay status and there are insufficient funds to cover the LTC premium.
 - **Federal Employee Dental and Vision Insurance Plan (FEDVIP)** deductions stop when an employee is in non-pay status and there are insufficient funds to cover the FEDVIP premium.
 - **Retirement** coverage continues for up to six months per calendar year for periods in non-pay status.
- If the furlough causes an employee's gross pay to be insufficient to permit all the mandatory and voluntary deductions to be made then the DoD Financial Management Regulation uses the following order of precedence:

Retirement deductions
Federal insurance, including Social Security and Medicare
Federal income tax
Health insurance – both current and for up to four periods preceding the current period
Basic group and state life insurance
Local income tax
Mandatory debt payments to the United States, including IRS levies
Court-ordered garnishments for alimony and child support
Court-ordered bankruptcy payments
Court-ordered garnishments for commercial debts
Optional life insurance payments
Voluntary debt payments to the United States – order specified by the employee
All other voluntary deductions in the order legally prescribed

- In some circumstances it is possible that an employee may draw a net pay of zero since all the mandatory deductions will be taken when pay resumes. This is most likely to occur if the furlough lasts for a fraction of a pay period and the employee receives a corresponding portion of their normal pay.
- Retirement, federal insurance, state and federal taxes self adjust because of their tie to income. However, deductions like life insurance, health benefits and other mandatory deductions such as child or spousal support, do not. Not only may employees draw a zero LES, the deductions may continue as they are added to the next pay period and so on until the amount is fully recouped.
- Voluntary deductions can be adjusted during this time.

- For the best information on pay deductions during furlough and for advice on adjustment of voluntary deductions contact your local Payroll office.

More detailed information is available on the Office of Personnel Management Website at

<https://www.opm.gov/policy-data-oversight/pay-leave/furlough-guidance/>