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**STATE OF ARIZONA  
FURLOUGH PROGRAM**

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# STATE OF ARIZONA FURLOUGH PROGRAM

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## PROGRAM OVERVIEW

The Arizona Department of Administration developed a furlough program and procedures for its covered employees. Employees who are exempt pursuant to A.R.S. 41-771 (uncovered employees) are not covered by this program. However, agency directors may determine if uncovered employees are to be placed on furlough (leave without pay) by notifying the employees in writing.

There are two types of furloughs: 1) budget reduction (intermittent furlough) and 2) suspension of funds. The budget reduction furlough allows agencies to place employees on intermittent furlough days, not to exceed five consecutive days or more than ½ the employees regularly scheduled hours in a pay period. The suspension of funds furlough allows agencies to place employees on furlough indefinitely until funding is restored.

A furlough question and answer document is also attached to address questions agencies may receive from its employees. Please review these questions carefully. Answers may be different to certain questions depending on the type of furlough being instituted.

Also attached are two appendices. Appendix A applies to a budget reduction furlough (intermittent furlough) and Appendix B applies to a suspension of funding furlough. Both appendices include various sample letters for agency use in administering its furlough.

In planning a furlough program agencies are encouraged to work closely with its agency Human Resources Office or contact the ADOA Human Resources Division for implementation assistance.

This program is in effect beginning October 17, 2009.

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## PROGRAM PROCEDURES

The Arizona Department of Administration Director is implementing a furlough program. This program is authorized by Personnel Rule R2-5-103B and Laws 2009, Third Special Session, Chapter 7. This program is in effect October 17, 2009 through fiscal year 2010. The following procedures set forth agency requirements.

Each agency director is responsible for determining when a furlough is appropriate and for developing the agency furlough plan. All plans for state service employees must be in compliance with this program and procedures; a copy of the agency furlough plan shall be forwarded to the Arizona Department of Administration, Human Resources Division for approval prior to implementation.

If these procedures are silent regarding any type of personnel action impacting a covered employee, the agency shall refer to the Personnel Rules (Title 2, Chapter 5) or contact ADOA Human Resources regarding how to proceed. If there is a conflict between this program and procedures and any applicable federal or state statutes or rules, the federal or state statutes or rules will prevail.

### A. GENERAL PARAMETERS

1. When funding necessary to pay employees is suspended or reduced, a furlough may be conducted.
2. The total number of days an employee is placed on a furlough shall be based upon the suspension or reduction of funding. Furlough days are unpaid. An agency head may or may not allow employees to participate in scheduling furlough days.
3. Furlough days may or may not be consecutive. A furlough may occur for a consecutive period of work days, e.g. one work week; or may occur at timed intervals, e.g. one day per week.
4. All state service employees in an agency, unit, geographic location, fund, and/or classification or classification series, identified shall be subject to the furlough in the same manner. Exceptions may be granted when an agency determines certain employees in the agency, unit, geographic location, fund, and/or classification or classification series have special knowledge and skills or are considered mission critical and need to be excluded from participation in the furlough. Requests for exceptions should be submitted to the Arizona

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5. Department of Administration, Human Resources Division for prior approval.

**B. REDUCTION OF FUNDING FURLOUGHS**

Furloughs implemented due to a reduction in funding shall follow the procedures below. Upon approval of a furlough pursuant to this section, an agency director:

1. May place employees on furlough for up to five consecutive days or up to half of the employee's regularly scheduled work hours in a pay period.
2. Shall not approve the use of any paid leave to substitute for furlough days. An agency director may cancel any approved paid or unpaid leave in progress for an employee who is designated for furlough except for approved Family and Medical Leave Act (FMLA) leave or military leave. If applicable, the agency head shall notify the affected employee in writing of the cancellation of the approved leave for the duration of the furlough. If the previously approved leave was scheduled to extend beyond the furlough, the employee may return to paid leave status following the furlough period.
3. Upon termination of the furlough, return employees to the same positions occupied at the start of the furlough.
4. Shall determine the scheduling of furloughs that provide for the continuation of any operations required by law.
5. Shall prohibit an employee from working during the period of the furlough. In the event of an emergency the appointing authority may revoke the furlough and the employee shall be paid for time required to work. An employee whose furlough is revoked due to an emergency shall be required to take the furlough on another day.
6. Shall comply with the Fair Labor Standards Act (FLSA). With some exceptions, FLSA-exempt employees will lose their exemption for any workweek in which they are furloughed for less than the full workweek. The loss of exemption applies only to that particular week.

**C. SUSPENSION OF FUNDING FURLOUGHS**

Furlough plans implemented due to a funding suspension requiring the full or limited cessation of certain state government operations shall

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follow the procedures below. Upon approval of a furlough pursuant to this section, an agency director:

1. May place employees on furlough.
2. Shall freeze all personnel actions (hires, transfers, promotions, salary increases, etc.) except for those actions that would accomplish, or assist in accomplishing the purpose of the furlough. Examples include resignation of permanent status employees and any other employee separations.
3. Shall not approve the use of any paid leave to substitute for furlough days. An agency may cancel any approved paid or unpaid leave in progress for an employee who is designated for furlough. If applicable, the agency head shall notify the affected employee in writing of the cancellation of the approved leave for the duration of the furlough. If the previously approved leave was scheduled to extend beyond the furlough, the employee may return to paid leave status following the furlough period.
4. Upon termination of the furlough, return employees to the same positions occupied at the start of the furlough.
5. Shall notify employees that furloughs in excess of 80 consecutive hours will adversely affect leave accrual and benefits.
6. Agency heads shall comply with the Fair Labor Standards Act (FLSA). With some exceptions, FLSA-exempt employees will lose their exemption for any workweek in which they are furloughed for less than the full workweek. The loss of exemption applies only to that particular week.

### **D. APPROVAL PROCESS AND DOCUMENTATION REQUIREMENT**

If funding to pay employees is suspended or reduced, an agency head may conduct a furlough in accordance with this furlough program. Agencies shall request approval of its furlough plan from the Arizona Department of Administration. The plan shall include:

1. Whether the furlough is a budget reduction furlough or a suspension of funding furlough.
2. Whether the furlough will be conducted agency-wide, by unit, by geographic location, by fund and/or by classification or classification series;

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3. Each unit, geographic location, fund and/or classification or classification series affected (if the furlough is to be conducted less than agency-wide);
4. For each unit, geographic location, fund and/or classification or classification series the total number of employees scheduled for furlough, the number of days and date ranges for the furlough, and
5. If requesting a budget reduction furlough and employees are to have input in scheduling furlough days, the agency's procedures for scheduling leave in a fair and equitable manner, consistent with the agency's business needs.
6. If requesting an exception pursuant to section A.4., document the total number of employees in the scope of the furlough, the number of employees to be excluded, and the reason for the request.
7. The procedures used to notify employees of the furlough. The procedures shall provide the employee with a written notice of the day or number of days the employee is scheduled to be placed on leave without pay due to a furlough. If the agency has selected the dates of the furlough, the notice shall provide the employee with those dates. If the employee is to have input into the scheduling of the furlough, the agency shall provide the employee with the number of days, the date range in which the days must be taken, and the agency's procedures for scheduling the furlough days. If the agency is conducting a suspension of funding furlough, include how the agency will advise the employee when funding is restored.
8. Procedures allowing employees to request an accelerated request for review. The accelerated request for review process will provide the opportunity to request an accelerated review of the employee's placement on furlough. The request for review must be made no later than three working days after receipt of a furlough notice. An employee may submit a request for review of the determination resulting in the employee's furlough and a proposed resolution. An employee must request an accelerated review in writing to the agency head who shall respond with a final decision within three working days after receipt of the request. The request for review shall not delay implementation of the furlough.

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## QUESTIONS & ANSWERS

*Agencies are strongly encouraged to contact the Arizona Department of Administration (ADOA) Human Resources Division at 602-542-7290 to discuss furlough procedures. The Human Resources staff is available to help in the planning and deliberations.*

These questions and answers apply to agencies within the ADOA Personnel System.

Within the ADOA personnel system, a covered employee means an employee in state service who is subject to the provisions of the state personnel rules.

Within the ADOA personnel system, an uncovered employee means an employee that is not subject to the provisions of the state personnel rules.

## GENERAL

### **1. What is a furlough?**

A furlough is time off without pay. A furlough does not involve a change in employment status.

### **2. Can agency management require uncovered employees to take a furlough?**

Yes, however, agency management contemplating furloughs for uncovered employees should consult with ADOA Human Resources, as there are many considerations to address before implementing such a program.

### **3. Can agency management require covered employees to take a furlough?**

Yes.

### **4. What authority does the State have to implement a furlough?**

The Department of Administration implemented a furlough program and procedures for covered employees beginning October 17, 2009 pursuant to Personnel Rule R2-5-103.B and Laws 2009, Third Special Session, Chapter 7.

### **5. Are newly hired employees required to participate in this program?**

Yes, new hires will be required to participate in a furlough program consistent with other employees in the same agency, unit, geographic location, fund and/or classification or classification series.

### **6. What are the parameters that an agency must follow when defining the scope of the furlough?**

The parameters for administering furloughs for uncovered employees are at the discretion of the agency head. For covered employees, an agency may conduct a furlough agency-wide, by unit, geographic location, fund and/or classification or classification series.

### **7. When should agencies notify affected employees that they are being furloughed?**

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When the agency director determines that a furlough is necessary due to a budget reduction or suspension of funding.

**8. How long will the furlough last?**

Each agency must determine the duration of its furlough based on funding.

**9. Can employees grieve a furlough schedule?**

No. Furloughs are not grievable.

**10. How will employees who are on a furlough due to a suspension of funding be notified to return to work when funding is restored?**

Each agency will be required to establish a notification process for its employees.

### **WORK SCHEDULES**

**11. How long can employees be placed on a furlough?**

The length of a furlough depends on the type of furlough. In a budget reduction furlough, there is no limit on the total number of furlough days, but employees shall not be placed on more than five consecutive furlough days. In a suspension of funding furlough, the total number of furlough days is unlimited.

**12. When employees take a furlough day(s), will they be expected to make up the hours or work during their regular work days?**

When a furlough day(s) is taken, employees cannot “add” hours to other days in that work week. Supervisors should establish a furlough schedule with their employees to adjust their workload and/or deadlines within their reduced-hours schedule.

**13. If employees are on a compressed work schedule, can they schedule their budget reduction furlough day on a day that is an unscheduled work day?**

No, furlough days must be taken during regularly scheduled work days regardless of work schedule. At the discretion of the agency and based on operational needs, employees’ current compressed work schedule may need to be suspended for the duration of the furlough program.

**14. Do employees have to take a furlough day as a full day or can they take partial days?**

Suspension of funding furloughs require employees to take all furlough days as full days.

Budget reduction furloughs require uncovered excluded full-time employees to take furlough days as full days. However, uncovered excluded part-time employees, uncovered non-exempt employees and covered employees may take budget reduction furlough days as full days or partial days as established by the agency to minimize disruption to regular operations of the unit.

**15. Can employees schedule a budget reduction furlough day on a recognized paid holiday?**

No. Employees may not schedule a furlough concurrent with a paid holiday.

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**16. Will employees on a suspension of funding furlough be paid for a recognized holiday?**

Employees on a suspension of funding furlough will not be paid for recognized holidays. Employees on budget reduction furloughs will be paid for recognized holidays.

**17. If an employee determined to be essential during a suspension of funding furlough becomes ill and unable to work, will the agency be able to replace the employee?**

Yes. If an agency has determined a limited number of employees must remain employed to provide essential services, and one of those employees is unable to work, the agency may revoke an employee's furlough. If the employee being recalled is a covered employee, the agency shall recall the employee using a fair and consistent approach.

**18. Can employees be recalled in to work after being placed on furlough?**

In a suspension of funding furlough, in the event an employee determined to be essential is unable to work, an agency director may recall a furloughed employee to perform these essential services. In a budget reduction furlough, an employee may be recalled to work, but the employee must be compensated for the day and serve another furlough day.

**19. Can employees be rotated to maintain essential services so as to not impact employees' eligibility for continued insurance benefits?**

During a suspension of funding furlough, an agency head has the discretion to identify employees providing essential services, only employees in a paid status 20 hours per week or more are eligible for benefits. During a budget reduction furlough, employees may not be furloughed for more than 5 consecutive days which will allow employees to maintain benefits. Employees must be in a paid status for 20 hours per week or more to be eligible for benefits.

**20. Can an employee be expected to work for the State while on furlough?**

No. To the contrary, an employee must **not** work for the State while on furlough.

**21. Is a furloughed employee on call or on standby?**

No, a furloughed employee is **not** considered to be on call or on standby.

### **CLASSIFICATION/COMPENSATION**

**22. While on furlough, can employees perform their duties of their State position elsewhere (e.g. telecommuting)?**

No. When an employee is furloughed, no state work is permitted. Work includes checking email, voice mail and using any electronic devices to check status of open items.

**23. Can employees volunteer to work for the State while on furlough (or any other day)?**

No, employees cannot volunteer in their current role without being paid.

**24. Will FLSA-exempt employees lose their exemption for any workweek in which they are furloughed for less than the full work week?**

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With some exceptions, FLSA-exempt employees will lose their exemption for any workweek in which they are furloughed for less than the full work week. The loss of the exemption applies only to that particular work week. During the furlough work week only, employees are entitled to compensation for every hour worked, and for time and a half for any hours worked over forty.

### **25. How should furloughed employees timesheets be completed?**

The pay code of leave without pay (640) and the attendance code for furlough (FR).

### **LEAVE**

### **26. What happens if employees are on pre-approved annual leave when the furlough is implemented?**

An agency shall change any paid leave, including military leave or Family Medical Leave Act Leave, in progress to unpaid leave (leave without pay) for employees who are designated for suspension of funding furloughs. However, for a budget reduction furlough an agency may only cancel leave in progress that is not designated as Family and Medical Leave Act (FMLA) or military leave.

### **27. Will employees' continue to receive leave accruals during a furlough?**

Employees will continue to receive leave accruals if the employee continues to work 1/2 the employees regularly scheduled hours in a pay period.

### **28. Can employees substitute paid leave (annual, sick, compensatory) for a period of furlough?**

No. Employees may not substitute paid leave for a period of furlough.

### **29. What impact will furloughs have if an employee is receiving donated leave?**

The impact to an employee's receipt of donated annual leave depends on the type of furlough. In a suspension of funding furlough, donated annual leave will be suspended until funding is restored. In a budget reduction furlough, donated annual leave may continue, but may not substitute for an employee's furlough day.

### **30. If an employee is currently on paid administrative leave, should an agency place the employee on a furlough?**

Yes.

### **UNEMPLOYMENT**

### **31. Are employees eligible for unemployment compensation while participating in a furlough program?**

An employee on furlough may be eligible for unemployment compensation; however, eligibility for unemployment compensation is determined by the Arizona Department of Economic Security (DES). For Unemployment Insurance Benefits available on line, please visit [www.azui.com](http://www.azui.com). You may also contact the Unemployment Insurance call center (please bear in mind that the call center is experiencing a high volume of calls):

Phoenix area: (602) 364-2722

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Tucson: (520) 791-2722

Outside Phoenix or Tucson (toll-free): 1-877-600-2722

## **RETIREMENT**

### **32. Will the furlough impact employees' retirement contributions and payable benefits?**

Employees with retirement questions should contact the appropriate retirement system directly. Both ASRS and PSPRS have issued information relating to the effects on retirement benefits that may be caused by furloughs or salary reductions.

#### ARIZONA STATE RETIREMENT SYSTEM (ASRS)

3300 North Central Ave. 13<sup>th</sup> Floor

Phoenix, AZ 85012

Phoenix: (602) 240-2000

Tucson: (520) 628-5107

Outside Metro Phoenix & Tucson: (800) 621- 3778

TDFD (Hearing Impaired): (602) 240- 5333

Website: [www.azasrs.gov](http://www.azasrs.gov)

#### PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS)

ELECTED OFFICIALS RETIREMENT PLAN (EORP)

CORRECTIONS OFFICERS RETIREMENT PLAN (CORP)

3010 E. Camelback Road #200

Phoenix, AZ 85016

In Phoenix: (602) 255-5575

Website: [www.psprs.com](http://www.psprs.com)

### **33. May employees purchase the unpaid furlough days through the ASRS Service Purchase Program?**

ASRS provided the following response regarding this question:

Because contributions to the Plan are a percentage of compensation, and paid equally by the employer and employee, there cannot be additional funds deposited into the Plan that are not based on compensation actually paid. The ASRS structure and the reasons for this are laid out in state statute, so we are unable to make exceptions, even in cases of furloughs.

Employees with retirement questions should contact the appropriate retirement system directly.

## **PAYROLL**

### **34. What impact will furloughs have if an employee currently has child support or spousal support pay deductions?**

A furlough would not relieve the State from its obligation to deduct from pay any fixed amounts ordered by a court. If the employee is not receiving enough pay to cover the support deduction, they may still owe it per the terms of the court order.

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**35. What impact will furloughs have if an employee currently has creditor garnishments or student loans being taken out of his pay?**

Creditor garnishments and student loans are calculated as a percentage of disposable income. If the employee is not receiving income, the deductions cannot be made. If pay is reduced, the garnishment deduction will be less. Once the employee returns to a regular work week, the garnishments and students loans will continue to be taken out of bi-weekly pay. This will lengthen the repayment of the debt.

**36. What impact will furloughs have if an employee currently has tax levies being taken out of his pay?**

Percentage levies are calculated as a percentage of disposable income. If no pay is received, the levy deduction cannot be made. If pay is reduced, the levy deduction will be reduced. This will lengthen the repayment of the debt.

**37. If an employee donates leave, and then receives notification of a furlough, can the employee revoke the donation?**

Once an employee donates annual leave, the employee may not rescind the donation. The Personnel Rules provide that unused leave shall be returned to contributors on a pro-rata basis.

**38. If an employee donated to SECC and has a payroll deduction for it, and then receives notification of a furlough, can the employee stop the SECC deduction?**

Yes. Employees may cancel their SECC contributions at any time by completing a GAO-73 "Authorization to Start or Stop a Voluntary Deduction" found online at: <http://www.gao.az.gov/onlineforms> and provide it to their agency payroll office.

**39. If an employee is currently a member of a union, can the employee discontinue the deduction of dues from my paycheck?**

Yes, employees wishing to discontinue union dues deductions must complete a GAO-73 "Authorization to Start or Stop a Voluntary Deduction" found online at: <http://www.gao.az.gov/onlineforms> and provide it to their agency payroll office.

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**Appendix A  
Reduction in Funding Furloughs**

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## Letter A OP and PS State Service Employee (Covered Employees) Placement on Furlough (LWOP) Status – Reduction of Funding

Date  
Hand Delivered

Employee Name  
Street Address  
City, State Zip Code

RE: Notice of Furlough

Dear \_\_\_\_\_:

Due to a reduction of funding, the [ insert name of state agency ] must place employees on mandatory furloughs (leave without pay, LWOP) status periodically for the remainder of the fiscal year. The furloughs will apply to all staff within [identify scope of furlough].

The furloughs will be staggered over different days to ensure our offices remain open to the public. Your furlough will be [insert the frequency of the furlough, e.g., one day per week, one day per pay period, etc. not to exceed five consecutive days]. Your furlough day will be [insert what day of the week the employee's furlough will take place]. Furloughs will begin the week of [insert date] and will remain in place until [insert end date, end of the fiscal year]. While on furlough status, you remain an employee of the state and you:

- May not report to work or work from any location
- May not volunteer to work, either with or without compensation
- May not use paid leave while on furlough status

You may submit a written request to [ agency head ] for review of this determination. The request must be delivered to [ name of person ]. The request for review must be based upon an error, contain specific information about the error and include a proposed resolution of the problem. You will receive a response within fifteen working days.

Sincerely,

Agency Director

c: Agency HR Manager/Representative  
Employee Personnel File

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**Letter B  
Uncovered Employee  
Placement on Furlough - Leave Without Pay (LWOP) Status – Reduction of Funding**

Date  
Hand Delivered\*

Employee Name  
Street Address  
City, State Zip Code

Dear \_\_\_\_\_:

Due to a reduction of funding, you are being placed on mandatory furloughs (leave without pay LWOP) status effective periodically throughout the year. The furloughs apply to all staff within [identify the scope of the furlough]. While on LWOP, you remain an employee of the state and you:

- Remain subject to the standards for ethical conduct, including conflict of interest statutes
- May not report to work until notified by this agency to return to work
- May not volunteer to work, either with or without compensation
- May not use paid leave while on LWOP status

As an uncovered employee, you have no right to request a review of this action. If you have any questions or need additional information, please contact [ name, phone number, email address ] for assistance.

Sincerely,

Agency Director

c: Agency HR Manager/Representative  
Employee Personnel File

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**Letter C  
Covered and Uncovered - Employee Notice of Cancellation of Leave  
NOT for use in Approved FMLA or Military Leave  
Reduction of Budget**

Date

Employee Name  
Street Address  
City, State Zip Code

Dear \_\_\_\_\_:

Due to a budget reduction, the [ agency name; division/section/unit ] must institute a furlough. As part of this process, all approved paid leaves in progress for employees designated for furlough within [identify the scope of the furlough] must be cancelled effective the day that the furlough begins. Our records indicate that you are scheduled for approved [ type of leave ].

Please report to work on \_\_\_\_\_.

Sincerely,

Agency Director

c: Agency HR Manager/Representative  
Employee Personnel File

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**Appendix B  
Suspension of Funding Furloughs**

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## Letter A OP and PS State Service Employee (Covered Employees) Placement on Furlough (LWOP) Status – Suspension of Funding

Date  
Hand Delivered

Employee Name  
Street Address  
City, State Zip Code

RE: Notice of Furlough

Dear \_\_\_\_\_:

Due to a suspension of funding, the [ insert name of state agency ] must place employees on furlough (LWOP) status.

You are being placed on furlough status, i.e., Leave Without Pay (LWOP), effective [ date and time ]. While on furlough status, you remain an employee of the state and you:

- Are subject to the standards for ethical conduct, which include rules for secondary employment. ADOA Personnel Rule R2-5-501(C) states, in pertinent part: "A state service employee shall not: ... (6) Engage in outside employment or other activity that is not compatible with the full and proper discharge of the duties and responsibilities of state employment, or that tends to impair the employee's capacity to perform the employee's duties and responsibilities in an acceptable manner..."
- Are eligible for continued coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) (if you are currently enrolled in a state benefits plan) due to your reduction in hours which qualifies as a life event. If you elect COBRA and provide payment, it will be effective the first of the pay period following the end of the pay period from which you were furloughed. Please see attached letter from the Arizona Department of Administration, Benefit Services Division, notifying you of your COBRA rights. You will receive your COBRA letter and enrollment form directly from the Benefit Services Division via US mail, regarding current coverages, the cost, and how and where to submit payment
- May not report to work or work from any location until notified by this agency to return to work
- May not volunteer to work, either with or without compensation
- May not use paid leave while on furlough status
- Will be notified, (AGENCY DETERMINE HOW EMPLOYEES WILL BE NOTIFIED - in writing provides documentation that the employees were actually notified), upon restoration of funding and

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when you may return to work; unless you are unable to return to work due to a non-job-related medical condition, failure to return to work on the effective date may be considered a resignation, result in separation without prejudice, or be cause for dismissal

You may submit a written request to [ agency head ] for review of this determination. The request must be delivered to [ name of person ]. The request for review must be based upon an error, contain specific information about the error and include a proposed resolution of the problem. You will receive a response within fifteen working days.

Sincerely,

Agency Director

Enclosure: Notification of COBRA Rights

c: Agency HR Manager/Representative  
Employee Personnel File

I, \_\_\_\_\_, acknowledge receipt of this Notice of Furlough (LWOP) on  
(date).

My current contact information is as follows:

Home Address: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

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## Letter B Uncovered Employee Placement on Furlough - Leave Without Pay (LWOP) Status – Suspension of Funding

Date  
Hand Delivered\*

Employee Name  
Street Address  
City, State Zip Code

Dear \_\_\_\_\_:

Due to a suspension of funding, you are being placed on Leave Without Pay (LWOP) status effective [ date and time ]. While on LWOP, you remain an employee of the state and you:

- Remain subject to the standards for ethical conduct, including conflict of interest statutes
- Are eligible for continued coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) (if you are currently enrolled in a state benefits plan) due to your reduction in hours which qualifies as a life event. If you elect COBRA and provide payment, it will be effective the first of the pay period following the end of the pay period from which you were furloughed. Please see attached letter from the Arizona Department of Administration, Benefit Services Division, notifying you of your COBRA rights. You will receive your COBRA letter and enrollment form directly from the Benefit Services Division via US mail, regarding current coverages, the cost, and how and where to submit payment
- May not report to work until notified by this agency to return to work
- May not volunteer to work, either with or without compensation
- May not use paid leave while on LWOP status
- Will be notified, (AGENCY DETERMINE HOW NOTIFICATION WILL TAKE PLACE - in writing provides documentation that the employees were actually notified), upon restoration of funding and when you may return to work; unless you are unable to return to work due to a non-job-related medical condition, failure to return to work on the effective date may be considered a separation

As an uncovered employee, you have no right to request a review of this action. If you have any questions or need additional information, please contact [ name, phone number, email address ] for assistance.

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Sincerely,

Agency Director

Enclosure: Notification of COBRA Rights

c: Agency HR Manager/Representative  
Employee Personnel File

\* I, \_\_\_\_\_, acknowledge receipt of this Notice of Leave Without Pay on  
(date).

My current contact information is as follows:

Home Address: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

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**Letter C  
Covered Employee  
Expiration of Furlough and Return to Work – Funding restored**

Date

Employee Name  
Street Address  
City, State Zip Code

Dear \_\_\_\_\_:

We are pleased to announce that funding for state government operations has been restored and you are directed to return to work effective \_\_\_[date]\_\_\_.

In accordance with the Arizona Department of Administration Furlough Program, you will be returned to the same position you held at the start of the furlough. On the effective date provided above, please report to your immediate supervisor, at your regularly scheduled start time and work location. [OR: Please report to your immediate supervisor, \_\_\_\_\_(name)\_\_\_\_\_, on \_\_\_(date)\_\_\_, at \_\_\_(time)\_\_\_\_. Your reporting place is \_\_\_\_\_(location)\_\_\_\_\_.]

Failure to return to work on the effective date may be considered a resignation, result in separation without prejudice, or be cause for dismissal. If unable to return to work due to a non-job-related medical condition, please provide a written statement from a licensed health care practitioner substantiating your inability to return to work to \_\_\_[name]\_\_\_, at \_\_\_\_\_[address/fax number]\_\_\_\_\_, by \_\_\_[date]\_\_\_.

If you have any questions or need additional information, please contact [ name, phone number, email address ] for assistance.

Sincerely,

Agency Director

c: Agency HR Manager/Representative  
Agency Payroll Manager  
Employee Personnel File

**STATE OF ARIZONA  
FURLOUGH PROGRAM**

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**Letter D  
Uncovered Employee  
Expiration of Furlough and Return to Work – Suspension of Funding**

Date

Employee Name  
Street Address  
City, State Zip Code

Dear \_\_\_\_\_:

We are pleased to announce that funding for state government operations has been restored and you are directed to return to work effective \_\_\_[date]\_\_\_.

On the effective date provided above, please report to your immediate supervisor, at your regularly scheduled start time and work location. [OR: Please report to your immediate supervisor, \_\_\_\_\_(name)\_\_\_\_\_, on \_\_\_(date)\_\_\_, at \_\_\_(time)\_\_\_\_. Your reporting place is \_\_\_\_\_(location)\_\_\_\_\_.]

Failure to return to work on the effective date may be considered a separation. If unable to return to work due to a non-job-related medical condition, please provide a written statement from a licensed health care practitioner substantiating your inability to return to work to \_\_\_[name]\_\_\_\_, at \_\_\_\_\_[address/fax number]\_\_\_\_\_, by \_\_\_[date]\_\_\_.

If you have any questions or need additional information, please contact [ name, phone number, email address ] for assistance.

Sincerely,

Agency Director

c: Agency HR Manager/Representative  
Agency Payroll Manager  
Employee Personnel File

**STATE OF ARIZONA  
FURLOUGH PROGRAM**

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**Letter E  
Covered and Uncovered - Employee Notice of Cancellation of Leave  
Suspension of Funding**

Date

Employee Name  
Street Address  
City, State Zip Code

Dear \_\_\_\_\_:

Due to a suspension of funding, the [ agency name; division/section/unit ] must place employees on furlough (LWOP) status. As part of this process, all approved paid or unpaid leaves in progress for employees designated for furlough must be cancelled effective the day that the furlough begins.

Our records indicate that you have been on an approved [ type of leave ] since [ date ].  
[INSERT APPLICABLE VERSION]

In accordance with the above, effective [ date and time ], your leave is revoked and you are being placed on furlough status, i.e., Leave Without Pay (LWOP).

-OR-

In accordance with the above, effective [ date and time ], your paid [ military / FMLA ] leave will be modified to unpaid [ military / FMLA ] leave.

You may submit a written request to [ agency head ] for review of the procedure resulting in this notice of revocation/modification of leave. The request must be delivered to [ name of person ] by 5:00 p.m. on [ insert date ]\*\* (Note: must provide 3 working days after employee receives notice) ]. The request for review must be based upon an error, contain specific information about the error and include a proposed resolution of the problem. You will receive a response within 15 working days after a budget is passed. You may contact [ name, phone #, email ] with questions about this action.

Sincerely,

Agency Director

c: Agency HR Manager/Representative  
Employee Personnel File

# STATE OF ARIZONA FURLOUGH PROGRAM

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## NOTIFICATION OF COBRA RIGHTS Employees placed on Furlough (LWOP) – Suspension of Funding

Dear Member,

This notification is to inform you of your rights to continued coverage under the Federal Law referred to as Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

The “qualifying event” that entitles you to COBRA is:

- Termination of Employment       Reduction of hours

You will soon be receiving your COBRA Letter and Enrollment Form via US Mail, from the Benefit Services Division

- Active benefits will terminate the last day of the current pay period.
- Your decision to elect COBRA coverage must be made within 60 days of the date posted on your COBRA Notification Letter
- You have 45 days from the date of your election to make your first payment retroactive back to the day after your active benefits end.
- Benefits are only in effect once payment is received and posted by the vendor
- You and all eligible dependents (covered on the plan on the date of the qualifying event) have individual rights to elect COBRA.
- COBRA coverage is offered for 18 months (if disabled within 60 days from your effective date of COBRA 29 months may be offered)

Your choices are: (1) to continue family or two-party coverage, if you had family or two-party coverage on the date of the qualifying event, (2) for one or more eligible dependents to elect single coverage, (3) decline COBRA coverage entirely.

Your COBRA continuation coverage may terminate early if (1) health coverage is no longer offered to any active employees, (2) you do not make the required payments in a timely manner, (3) you or any eligible dependents become covered under another group health plan that does not effectively limit coverage for any pre-existing condition, (4) you or your eligible dependents become entitled to Medicare, or (5) coverage was extended due to disability and the individual is determined to no longer be disabled.

If you have any questions regarding COBRA please contact the Benefit Services Division at 602.542.5008.