



UNIVERSITY OF NORTH CAROLINA WILMINGTON

May 26, 2009

MEMORANDUM

TO: Faculty and Staff

FROM: William A. Fleming  
Assistant to the Chancellor for Human Resources

SUBJECT: Required Furlough Reductions – May and June

**[Please print and post this message for individuals in your unit without regular access to email.]**

As you are aware from Chancellor DePaolo's budget updates, the governor's required furlough reductions will impact the May and June payrolls. We all recognize that this furlough and the loss of income will be difficult. Over the last several days, further clarifications have been made by the UNC General Administration and the State Budget Office. Rather than try to send emails to all of campus each time another question is answered or another attachment is sent, we have decided on our campus to refresh the HR website continually with the latest information on the specifics of the furloughs. This includes various attachments. If there are major changes, we will send another email; otherwise, we encourage you, if you have questions, to check the website: [http://www.uncw.edu/hr/flexible\\_furlough.html](http://www.uncw.edu/hr/flexible_furlough.html).

Since the May payroll is just a few days away, please be reminded of some key points.

- Furlough reductions in May and June will be identified separately on your paystubs. The reduction is calculated as ½ % of your annual base salary. Since there are only two months from which to take the entire annual ½ %, the result is that the **actual reduction is 3% of each month's** gross salary. There have been many questions on this. Perhaps the following example will help.

For an annual salary of \$24,000, the ½% furlough reduction is \$120. The gross salary each month is \$2000. If there is a May and June paycheck available, the \$120 reduction can be divided so that \$60 comes out in May and \$60 comes out in June. \$60 is 3% of \$2000. If there is only the May paycheck available, the \$120 must come from that one paycheck; \$120 is 6% of \$2000.

- In general, permanent faculty, EPA, and SPA employees will have the deduction split evenly between May (3%) and June (3%).

- In general, temporary (adjunct) faculty will have the entire annual ½% (6% for one month) deducted in May because there is no June paycheck for these individuals.
- There is some recent good news. The furlough reduction will have no impact on retirement programs. Executive Order No. 11 and House Bill 917 protect employees' retirement and health insurance benefits during the Flexible Furlough Program. This means that the university will pay both the employee and the employer contributions to the Teachers and State Employees' Retirement System (TSERS) or the appropriate Optional Retirement Plan carrier on behalf of the employee on the amount of compensation that was reduced.
- Over the last several days, the cabinet has considered the pros and cons of closing the university for one full day to provide an easily scheduled time to take the furlough hours. This would also provide the opportunity to save a day of energy usage in most offices. At the request of Academic Affairs, we were asked not to impact the academic calendar and student classroom hours. This means that closing would have to be on a day that classes are not scheduled such as the day before Thanksgiving or fall break; however, these days are already non-paid days for faculty. After reviewing several options and getting feedback from hundreds of employees on campus, it has been decided to provide faculty and staff full flexibility for scheduling the time off and not to designate a single closing day. Although there will be no energy savings, this does mean that each employee will have the flexibility to schedule their own time off. Furlough time off can be scheduled with supervisory approval from now through December 31. [The university closes for winter break and requires three days of vacation leave; some individuals may wish to save their furlough time for then.]
- Each supervisor has to approve furlough time between now and December 31. In order to honor the flexibility spirit that the governor stated, each supervisor is strongly encouraged to approve furlough leave at times as requested by the employees.

If you have questions about the furlough, please check the frequently asked questions on the website at: [http://www.uncw.edu/hr/flexible\\_furlough.html](http://www.uncw.edu/hr/flexible_furlough.html).

A lot of people have worked very hard behind the scenes in order for UNCW to comply with the governor's furlough order. It has been impressive to witness their professionalism during these difficult times. We know this has been a frustrating topic across the entire UNC system and we appreciate your continued patience and understanding.

cc: Chancellor's Cabinet  
Payroll Office