Employment Policies (HR-700)

HR-710 COVID-19 Payroll Reduction Measures for Administrative, Service and Support Employees

Summary

Section 20.021 authorizes the President to place into effect temporary lawful policies, procedures, or other measures to meet the COVID-19 public health emergency. This policy states such human resources policies authorized by the President under that rule.

Policy

Per Collected Rules and Regulations (CRR) 20.021: President’s Temporary Authority for COVID-19 Response (Bd. action on 03-16-20):

1. Notwithstanding any limitations or restrictions placed on the President in Section 20.020 or elsewhere in these Collected Rules and Regulations, the President shall have authority to place into immediate effect any temporary lawful policies, procedures, or other measures which in his judgment are necessary or appropriate to meet the public health emergency associated with the novel coronavirus and COVID-19 disease, including but not limited to safeguarding persons and property and maintaining University activities as appropriate.

2. Temporary lawful policies, procedures, or other measures adopted by the President under this authorization shall be effective notwithstanding any contrary provisions of these Collected Rules and Regulations and shall remain in effect until such time identified by the President or the Board of Curators, or until such time as the Board of Curators withdraws the authority granted in this rule or otherwise directs.

3. The President shall keep the Board of Curators advised as to policies, procedures, or other measures adopted under this rule.

Further HR Policy Provisions

Additional HR-710 policy provisions below in accordance with CRR 20.021:

Fiscal and operational challenges posed by the COVID-19 emergency will require difficult decisions to reduce payroll costs. This policy identifies measures that can be taken by units within the University and provide principles for implementing them.

I. Types of Payroll Reduction Measures

A variety of measures may be taken under this policy. Some of these will achieve similar amounts of reductions in different ways. Units may choose the actions that best address mission, fiscal and operational needs while attempting to limit impacts on employees.
Actions under this policy include:

<table>
<thead>
<tr>
<th>Action</th>
<th>Fiscal Effect</th>
<th>Operational Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temporary Pay Rate Reduction</td>
<td>Short to medium term reduction</td>
<td>No staffing reduction</td>
</tr>
<tr>
<td>Temporary FTE Reduction</td>
<td>Short to medium term reduction</td>
<td>Temporary reduced staffing</td>
</tr>
<tr>
<td>Short-Term Furlough</td>
<td>Short term reduction</td>
<td>Temporary reduced staffing</td>
</tr>
<tr>
<td>Long-Term Furlough</td>
<td>Medium to long term reduction</td>
<td>Temporary reduced staffing</td>
</tr>
<tr>
<td>Seasonal Leave of Absence</td>
<td>Short to medium term reduction</td>
<td>Fixed term suspended staffing</td>
</tr>
<tr>
<td>Excused Absence without Pay</td>
<td>Limited short-term reduction</td>
<td>Minimal reduced staffing</td>
</tr>
<tr>
<td>Layoff and Transition Assistance</td>
<td>Long term reduction</td>
<td>Long term reduced staffing</td>
</tr>
<tr>
<td>Termination</td>
<td>Short- and long-term reduction</td>
<td>Long term reduced staffing</td>
</tr>
</tbody>
</table>

II. Covered Employees

Unless otherwise indicated below, the actions addressed in this policy apply to:

A. Benefit-eligible administrative, service and support employees;
B. Variable hour employees; and
C. Student employees who are not receiving federal work-study benefits.
D. Covered employees may volunteer for any of the actions addressed in this policy. Units may choose actions and employees based on offers to volunteer but are not required to do so.

III. Guiding Principles

A. Mission achievement - In making staffing decisions, units will be guided first by the continued achievement of the University’s mission. While cost reductions are necessary at this time, units must take actions that prioritize the ability to continue achieving the University’s mission in the short term and best position the University for long-term success. In some instances, this may mean that actions under this policy will not be the same for all employees in a unit.
B. Sensitivity to employees - To the extent that options are likely to be equally effective in achieving the University’s mission, units should choose actions that impose the least impact on employees.
C. Equity - Employees will be chosen for actions under this policy on an equitable basis to similarly situated employees. Relevant factors in making these choices will be mission-related. These include, but are not limited to, workload and financial needs of the university or unit and employees’ abilities, skills, training, and other relevant qualifications. Although in some instances actions will apply to individual employees, actions under this policy will not be used to single out employees for reasons that are not relevant to mission-related cost reductions.

IV. Generally applicable rules

A. Employees on Temporary Pay Rate Reduction, Temporary FTE Reduction, Short-Term Furlough, Long-Term Furlough, Excused Absence Without Pay, or Seasonal Leave of Absence may be subject to additional employment action during or after the relevant period, including but not limited to new or further reductions, furloughs, layoff, or termination.
B. Employees may be placed on Temporary Pay Rate Reduction, Temporary FTE Reduction, Short-Term Furlough, or Long-Term Furlough after notice provided in advance of the pay period in which the furlough or reduction will occur.

C. Unless otherwise indicated below, references in this policy to “workweek” mean the workweek defined in HR-202, and references to “month” mean calendar months.

D. Actions under this policy will be administered in a manner consistent with the requirements of the Fair Labor Standards Act, immigration laws, and other applicable laws and regulations.

E. If placed on furlough or leave of absence, employees may seek information from the Missouri Department of Labor’s Division of Employment Security about whether they would be eligible for any unemployment benefits.

V. Temporary Pay Rate Reduction
Units may reduce an employee’s rate of pay temporarily for future pay periods after providing notice to the employee.

A. Maximum Reduction - The Temporary Pay Reduction may not exceed 10% of the employee’s rate of pay at the time the reduction is ordered.
   i. For exempt employees, the reduction may not exceed an amount that would alter the employee’s exempt status (i.e. temporary pay rate may not be less than $684 per week).
   ii. For non-exempt administrative, service and support employees, the reduction may not bring the individual’s pay rate below $8.60/hour before July 1, or $9.45 after July 1, 2020.
   iii. For student employees, the reduction may not bring the individual’s pay rate below $8.60/hour.
   iv. In addition, if implemented in conjunction with a Temporary FTE Reduction, the reduction must comply with the limits identified in section VI below.

B. Duration - The Temporary Pay Reduction will be for not less than 1 month and no longer than 3 months. The reduction may be renewed for additional periods.

C. Accrued Leave - Employees on Temporary Pay Rate Reduction may use accrued leave per University policies.

VI. Temporary FTE Reduction
Units may reduce an employees’ FTE temporarily for future pay periods after providing notice to the employee.

A. Duration – The Temporary FTE Reduction may not be less than one full pay cycle (1 bi-weekly pay cycle for non-exempt, and 1 month for exempt) and no longer than 3 months (six bi-weekly pay cycles, 3 monthly pay cycles). The reduction may be renewed for additional periods.

B. Non-exempt Employees
   i. Non-exempt employees may be placed on reduced FTE status, with the corresponding reduction in hours.
   ii. Employees will not be expected or permitted to perform any work during times when they are not receiving their hourly pay.
C. **Exempt employees** - Exempt (monthly paid) employees may have their FTE percentage reduced, with a commensurate reduction in compensation.
   i. The reduction in FTE percentage will be accompanied by a commensurate reduction in work schedule or assigned work. Employees will not be expected to perform work above the reduced schedule or assignments.
   ii. For exempt employees, the reduction in compensation may not exceed an amount that would alter the employee’s exempt status.

D. **Protection of Benefit Eligibility status** - For benefit-eligible employees, the reduction in FTE may not be less than 75% FTE.

E. **Accrued Leave** - Employees on Temporary FTE Reduction may use accrued leave per University policies, but accrued leave may not be used to increase an employee’s FTE level (i.e., accrued leave may not be used to “top off” an employee’s FTE level).

VII. **Interaction of Temporary Pay Reduction and Temporary FTE Reduction**

Temporary Pay Reduction and Temporary FTE Reduction may be implemented separately or in combination. When both are implemented for a benefit-eligible employee in the same month, they will not be in amounts that result in an employee’s compensation being less than 75% of the employee’s usual monthly compensation based on the employee’s normal pay and schedule. For exempt employees, the reduction may not exceed an amount that would alter the employee’s exempt status.

VIII. **Short-Term Furlough**

Short-Term Furlough is a University-required unpaid leave of absence for one workweek. Employees may be placed on Short-Term Furlough after notice is provided in advance of the pay period in which the furlough will occur. Upon return, employees will not receive retroactive pay for the period.

   A. **Duration / Repetition** - Short-Term Furlough shall be for one full workweek. Employees may be placed on Short-Term Furlough and returned from furlough on more than one occasion, but not more than once per month for exempt employees and not more than once within two consecutive pay periods for hourly employees. Accordingly, units may rotate their employees through periods of Short-Term Furloughs.

   B. **No Work on Furlough** - Employees on furlough shall not be expected or permitted to perform any work.

   C. **No Paid Leave** - Employees may not use accrued vacation or personal leave during the furlough.

IX. **Long-Term Furlough**

Long-Term Furlough is a University-required unpaid leave of absence for periods stated below. Employees may be placed on Long-Term Furlough after notice is provided in advance of the pay period in which the furlough will begin. Upon return, employees will not receive retroactive pay for the period.

   A. **Duration / Repetition** - Long-Term Furlough shall be implemented in increments of full workweeks and will not be less than two consecutive workweeks. Employees may be placed on Long-Term Furlough and returned from furlough on more than one occasion.
Accordingly, units may rotate their employees through periods of Long-Term Furloughs. An employee may not be placed on Long-Term Furlough for a total of more than twelve workweeks.

B. No Work on Furlough - Employees on furlough shall not be expected or permitted to perform any work.

C. Mandatory Use of Vacation - Employees placed on Long-Term Furlough must use all accrued vacation, after which leave will be unpaid. Employees may not use unearned vacation leave while on Long-Term Furlough.

X. Furlough Benefit and Retirement
During a Short-Term Furlough or Long-Term Furlough:
A. A benefit-eligible employee will be eligible to continue participation in the University's benefit programs (e.g., medical, dental, life insurance) during the furlough. The University will continue to pay its share of premiums and the employee will be responsible for paying the employee’s share of premiums.

B. A benefit-eligible employee is subject to the following paid-time-off provisions:
   i. Employees are not eligible to use accrued vacation, sick or personal leave while on Short-Term Furlough.
   ii. Employees must use accrued vacation during any Long-Term Furlough.
   iii. Employees are not eligible to accrue vacation or sick leave while on Short-Term or Long-Term Furlough.

C. For employees who are members of the UM Retirement, Disability and Death Benefit Plan:
   i. The employee will not be required to make employee contributions while on Short-Term Furlough or during any unpaid portion of Long-Term Furlough.
   ii. The period of Short-Term Furlough and any unpaid portion of Long-Term Furlough will not count for vesting.
   iii. For vested employees, the following will be taken into account as service credit:
       1. The first 30 days of Short-Term Furlough in any academic year (September 1 – August 31);
       2. Any period of Long-Term Furlough in which the employee is using vacation; and
       3. The first 30 days of any unpaid period of Long-Term Furlough in any retirement plan year (September 1 – August 31).

XI. Seasonal Leave of Absence
A Seasonal Leave of Absence is to be used consistent with CRR 340.100.

A. Employees in units which periodically and temporarily close down or reduce the extent of their operation for specific periods of time may be placed on a Seasonal Leave of Absence during these periods when it is agreed that the employees will return to work at the earliest date their services are required.

B. A Seasonal Leave of Absence may not be extended beyond the period of three (3) months.
C. Non-exempt and exempt employees may elect to use accrued vacation to cover all or part of the time off, or may elect to take time off without pay.

XII. Excused Absence Without Pay
Supervisors may reduce non-exempt staffing without initiating furloughs or leave of absences as long as the University-required absence is less than one full workweek. The following pay procedures will apply to a non-exempt employee University-required absence of less than one full workweek:

- Non-exempt employees may elect to use accrued vacation and/or personal days to cover the time off or may elect to take time as an excused absence without pay.

XIII. Layoff and Transition Assistance
Units may implement reductions in force, with layoff and transition assistance to eligible employees consistent with University rules and policies.

A. See Layoff and Transition Assistance Resources for more information.

B. Effect of COVID-19 Payroll Reduction Measures - If an employee is placed on layoff, any of the actions addressed in this policy will be disregarded in determining the employee’s transition assistance payment. As a result, the employee’s transition assistance payment will be determined based on the employee’s pay at the time before any such actions were implemented.

XIV. Termination
Consistent with University rules and policies:

A. Employees not eligible for layoff and transition assistance may be terminated.

B. Employees otherwise eligible for layoff and transition assistance may be terminated for reasons other than reduction in force.

C. See HR-118 for additional information.

XV. Review
An employee subject to action under this policy may seek a review of whether the action was taken consistent with the terms of this policy by submitting a written request for review to their university’s chief human resources officer or designee within 5 days of being notified of the action. The determination of the fiscal or operational need for actions to be taken under this policy will not be subject to review. Actions taken under this policy will not be subject to the grievance procedure for administrative, service and support staff (CRR 380.010, HR-502, HR-602). Complaints of discrimination or harassment should be addressed in accordance with the applicable Equity Resolution Process.

XVI. Documentation
Units must maintain documentation of actions and decisions taken under this policy.

Effective: 04/22/2020