**HR FACT SHEET - FURLOUGHS AND TEMPORARY LAYOFFS**

In the event that there is insufficient funding available to meet employee payroll obligations during the COVID-19 crisis, parishes, schools, and stand-alone care centers may consider the use of **furloughs** or **temporary layoffs** as a means to reduce or eliminate employee payroll costs for a limited time with the intent to recall staff after the crisis subsides. Employee use of paid leave does not address the underlying financial need.

Parishes should consult with their Parish Corporators and Finance Committees, and schools should consult with their School Boards in making this significant decision.

**Furloughs**

Furloughs are an alternative to laying off employees. Furloughs will reduce, but not eliminate, payroll costs. Typically, furloughs involve having employees working fewer hours each week or requiring employees to take a defined amount of unpaid time off.

* For example, a furlough may be characterized by having employees taking one unpaid day each week for a defined number of weeks, with the result that the organization pays them for only 32 hours instead of the normal 40 hours each week.
* Another method of furlough is to require employees to take some amount of weeks of unpaid leave during a defined period.

Short duration furloughs (less than 10 weeks) of benefit-eligible employees do not necessarily affect their benefits, and the employee benefits costs to the parish or school will ordinarily remain the same. Furloughed employees will remain as active but unpaid within the HR UltiPro system. Parishes, schools, and employees all are responsible for paying their portions of the cost of benefits. In some instances, the premiums may accumulate with billing accomplished after the furlough period. Employees furloughed for multiple weeks of unpaid time off may be eligible for unemployment benefits.

**Temporary Layoffs**

Temporary layoffs actually result in an employee’s temporary separation from payroll. Employees can be temporarily laid off for a defined period of time (up to 10 weeks) due to a temporary lack of funds or lack of work, with a firm belief that this condition will change and with an intent to recall the employees after the temporary period of time. Under a temporary layoff, employees are typically able to collect unemployment benefits, and can pursue other employment. Temporary layoffs do not preserve an employee’s benefits. However, AOB can work with parishes and schools who opt to allow employees to maintain their benefits coverage for the defined layoff period of time, thereby providing an incentive for the employee to remain available for recall. Parishes and schools will be responsible for the cost of benefits, but not salary, during a temporary layoff. Employees will be billed by the parish or school for their premium costs.

**In either case of a furlough or temporary layoff, please contact the appropriate HR Manager to coordinate your efforts. Also, if a parish or school intends to implement a furlough or temporary layoff during this crisis, AOB Benefits must be notified by email to:** <Insure@archbalt.org>.