

2.20 TEMPORARY WORK FORCE REDUCTION

APPLICATION:

Positions covered under the Virginia Personnel Act to include full-time and part-time classified, restricted, and “776” employees.

PURPOSE:

To provide guidance in temporarily reducing employee work hours or to lay off temporarily.

AUTHORITY, INTERPRETATION, AND REVISION:

This SOP, issued by the Virginia Department of Social Services (VDSS), is an adaptation of [Policy 1.65](#) issued by the Virginia Department of Human Resource Management (VDHRM) pursuant to authority provided in Chapter 10, Title 2.1 and Section 2.1-116(A) (16) of the [Code of Virginia](#). This policy supersedes those portions of Policy 1.09, Layoff, effective June 1, 1981, which dealt with Temporary Work Force Reduction.

2.20.1 Definition of employees covered under the Virginia personnel act

2.20.1.1 Classified Employees

Employees who occupy positions within the occupational classes that are listed in the Commonwealth’s Compensation Reform Plan, and who are covered by the Virginia Personnel Act, as found in Chapter 10, Title 2.1 of the [Code of Virginia](#), once they have completed the probationary period.

2.20.1.2 Restricted Employees

Employees whose positions receive 10 percent or more of required funding from non-continuous or non-recurring funding sources, such as grants, donations, contracts, capital outlay projects, or higher education auxiliary enterprise revenues.

2.20.1.3 “776” Employees

Employees who are excluded from coverage of the Virginia Personnel Act as established by Section 2.1-116(A) (16) of the [Code of Virginia](#). However, these employees are covered by the policies promulgated by the VDHRM, except as listed in the various policies.

2.20.2 What constitutes a temporary work force reduction

A temporary work force reduction may consist either of a reduction in employees’ work hours or a layoff for up to four consecutive calendar months in a 365-day period. A temporary work force reduction does not invoke the provisions of section “**Error! Reference source not found. Error! Reference source not found.**”

2.20.2.1 Reduced Hours

A temporary work force reduction resulting in reduced hours occurs when an employee’s work hours are reduced, such that the employee works fewer than the

regularly-scheduled work hours per pay period and the salary is reduced commensurately.

2.20.2.2 Layoff

A temporary work force reduction resulting in an employee's layoff occurs when an employee's work hours are eliminated completely, such that the employee works not hours.

2.20.3 Limitation of four consecutive calendar months

2.20.3.1 Calculation of period

A temporary work force reduction, resulting in either reduced hours or layoff, begins the day when an employee is first affected by the reduction or elimination of hours, and may not last longer than four consecutive calendar months after such date.

2.20.3.2 Conclusion of period

- Except as provided below, at the end of four consecutive calendar months, employees who have been on a temporary work force reduction must be returned to their full-time positions.
- If the Commissioner determines that employee's hours must be reduced, or positions eliminated, for longer than four months, the VDSS must adhere to all requirements of section "**Error! Reference source not found. Error! Reference source not found.**"

2.20.4 Determination of employees to be affected by temporary Work force reduction

Based on the Department's best interests, the Commissioner has the discretion to determine which employees/positions will be affected by a temporary work force reduction.

2.20.5 Notice to affected employees

2.20.5.1 Written Notice

The VDSS/DHRM Director must issue a written notice to the affected employee at least two weeks before implementation.

2.20.5.2 Details of the notice to include:

- The hours, if any, the employee will be scheduled to work;
- The duration of the temporary work force reduction; and
- The status of the employee's benefits during the temporary work force reduction.

2.20.6 Impact of temporary work force reduction on benefits

During a temporary work force reduction, employee benefits are affected as set forth below.

2.20.6.1 Annual and Sick Leave

- For employees whose hours are reduced
Employees will accrue annual and sick leave on a prorated basis, according to the number of hours worked per pay period.

EXAMPLE:

An employee whose work hours are reduced during a temporary work force reduction by 50 percent per pay period will earn annual and sick leave at 50 percent of their normal accrual rate.

- **Effect on years of service**
Employees whose hours are reduced will receive full service credit during the period of the reduction for the purpose of determining the employees' years of service as they affect the following:
 1. Annual leave accrual rate; and
 2. Eligibility to receive payment for accrued sick leave upon leaving state service.
- **Laid off employees as a result of a temporary work force reduction**
 1. **Leave accrual**
Employees who are on full layoff during a temporary work force reduction will not accrue annual or sick leave.
 2. **Effect on years of service**
Employees who are laid off temporarily will receive full service credit during the period, for the purpose of determining the employees' years of service as they affect the following:
 - (1) Annual leave accrual rate; and
 - (2) Eligibility to receive payment for accrued sick leave upon leaving state service.
- **Substituting paid leave for the period of temporary work force reduction**
 1. Employees may not substitute annual or sick leave for work hours, which have been reduced due to temporary work force reduction.
 2. Previously approved paid leave (sick or annual), which encompasses reduced work hours or temporary layoff will be rescinded as it relates to those reduced hours (i.e., that portion of the leave must be taken without pay).

2.20.6.2 Holidays

An employee who is on temporary work force reduction, resulting either in reduced hours or layoff, will be entitled to receive holiday pay or compensatory time for a holiday only to the extent of the number of hours that the employee is scheduled to work that day.

EXAMPLE:

If an employee whose hours are reduced is not scheduled to work on Mondays, the employee is ineligible for holiday pay for any holidays that fall on Monday.

2.20.6.3 Insurance

- **Health insurance**
The VDSS will continue to pay its portion of the health insurance premiums for employees on temporary work force reduction, whether resulting from reduced hours or layoff.
- **Life insurance**
 1. Agencies will continue to pay the life insurance premiums for employees on temporary work force reduction, whether resulting from

reduced hours or layoff, based on employees' full-time (pre-temporary work force reduction) compensation.

2. If an employee should die during a temporary work force reduction, the designated beneficiary(s) will be entitled to benefits based on the employee's full-time (pre-temporary work force reduction) compensation.

2.20.6.4 Retirement

- If an employee on temporary work force reduction, whether resulting from reduced hours or layoff, earns any pay during a month, the VDSS will make its retirement contribution based on the amount earned, and the employee will receive service credit towards retirement for the entire month.
- If an employee on temporary work force reduction, whether resulting from reduced hours or layoff, has no earnings during a month, the VDSS will not make its retirement contribution and the employee will not receive service credit for the month.

