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UNIVERSITY of ALASKA
Many Traditions One Alaska

Voluntary Reduction Request Form – Non-Represented Exempt Employees

Assignments may not be reduced to less than 9 months or less than 50% full-time equivalent (FTE)

Name: _____ Position Title: _____
Employee ID: _____ PCN: _____
TKL: _____ Dept: _____

I voluntarily request and consent to the following reduction of my employment at the University of Alaska for FY27 only (July 12, 2026 through July 13, 2027).

- FTE Reduction (work reduced hours each pay period):
  - □ 75 hours per pay period (6.25% reduction or 93.75% FTE)
  - □ 70 hours per pay period (12.5% reduction or 87.5% FTE)
  - □ 64 hours per pay period (20% reduction or 80% FTE)
  - □ 60 hours per pay period (25% reduction or 75% FTE)
  - □ 40 hours per pay period (50% reduction or 50% FTE)

  Proposed schedule: _____
  (may not exceed 40 hours per week)
  Effective date: _____
  (when possible, proposed schedule changes should align with the beginning of a pay period)

- Contract Reduction (reduced year contract):
  - □ 11-month contract
  - □ 10-month contract
  - □ 9-month contract

  Proposed schedule: _____
  Effective date: _____
  (when possible, proposed schedule changes should align with the beginning of a pay period)

IMPORTANT: To retain exempt status, an employee's earnings may not fall below $684/weekly. If the employee's **weekly salary** will fall below the Fair Labor Standards Act (FLSA) established salary threshold of **$684,** please contact UA-Compensation at ua-compensation@alaska.edu.

By initialing below, you understand and agree to the following:

_____*(Initials)* I understand that if I am contributing to the PERS retirement system, **my PERS service credit will be reduced** if I work a schedule of less than 30 hours per week or if I have more than 10 days of intermittent or continuous leave without pay (LWOP) during a calendar year, including any time off contract.

_____*(Initials)* I understand that by reducing my contract, my retirement contributions will be reduced, my University leave accrual and holiday pay will be prorated, and that annual leave remains subject to a maximum accrual of 240 hours. (*Please see attached matrix that outlines benefit and pay impacts in reducing FTE and/or contract).*

_____*(Initials)* I understand that, except for reduced year contracts (9-, 10- or 11-month), my biweekly salary will be reduced by the percentage indicated above in each of 26 pay periods (or the number of pay periods in my normal contract) during the fiscal year, regardless of when I take the time off. I understand that I will not receive extra compensation if I work additional hours or days and that "days off" will not carry forward to another fiscal year.

_____*(Initials)* I understand that under US Department of Labor regulations as of January 1st, 2020, to qualify for exemption, employees generally must meet certain tests regarding their job duties and be paid on a salary basis at not less than $684 per week. As a result of this voluntary reduction, my exemption status may be forfeited if my weekly salary falls below this threshold.

_____*(Initials)* I understand that if I agree to work a reduced year contract, I will not receive any pay while I am off contract. My payroll deductions for health coverage and other benefits will be go into arrears while I am off contract and I will pay this arreage back at a rate of up to an additional 40% of biweekly premiums.

_____*(Initials)* I understand that if there is a furlough (requires approval of university president) in my unit, this voluntary reduction time will be subtracted from the required number of furlough days. I will not be required to take more unpaid furlough days than I would have without this voluntary reduction. I understand that this voluntary reduction does not otherwise protect me from furlough, layoff, or other personnel action.

_____*(Initials)* I understand that unless other changes are made to my employment contract in the meantime, my schedule will revert to my contract in effect prior to the voluntary reduction agreement(s).

_____*(Initials)* I understand that this request is subject to approval by my supervisor. I also understand that if approved, my appointment will reflect my voluntary reduction in the employment contract and that approval of any subsequent changes is in the university's sole discretion.

Employee Signature: _____ Date: _____

I approve the reduction in hours and effort as proposed above:

Supervisor Signature: _____ Date: _____

Benefit Considerations for Contract Reduction or Reduced FTE:

ACTION	PARAMETERS	IMPACTS TO BENEFITS AND PAY
FTE REDUCTION	■ Effort is reduced over course of 12 months.	■ Schedule of 30 hours per week (.75 FTE) minimum to maintain full time service credit with PERS.
	■ Job form required to reduce FTE of 80 hours (e.g., 90%, 80%, 75%)	■ 20 hours per week (.5 FTE) minimum required to maintain benefit eligibility at UA. ■ Pay, sick and annual leave accrual, PERS salary credit, and ORP and UA Pension plan contributions are all reduced in relation to FTE reduction.
CONTRACT REDUCTION	■ Reducing contract length from 12 months to shorter duration, minimum 9 months in fiscal year. ■ Job forms required to start and stop Off Contract period(s) (as leave without pay with benefits)	■ Benefit deductions will go into arrears during off contract periods. ■ ORP does not consider off contract periods for vesting purposes. ■ PERS service credit will be reduced, extending time needed to vest and reach service thresholds. ■ PERS DB salary credit will be granted for months in active work status only; months in active work status are used in calculation of high three- or five-years' salaries. ■ Plan contributions (PERS DC, ORP, Pension, 403b) will be reduced due to fewer pay periods for deductions/contributions. ■ Employees in off contract status may not use annual or sick leave. ■ Employees must be prepared for period of no income while in off contract status.

✔ Timely job forms to accurately reflect employee assignment and FTE are critical.

✔ Workload adjustments should correspond with contract or FTE reductions.

✔ Vested PERS employees who are within 5 years of retirement should consider the effects of a reduced contract or reduced FTE on their future benefits.

✔ Reduction in FTE (reduced work week) may affect employees in PERS Tiers I, II or III (defined benefit, or PERS DB) who are in their three (Tiers I and II) or five (Tier III) consecutive high years. Reduced contracts might be better for these employees.

✔ Annual and sick leave accruals and retirement contributions to ORP and UA Pension will be reduced accordingly.