

Voluntary Reduction Request Form – 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 reduction of my employment at the University of Alaska for FY21 only (July 5, 2020 through June 30, 2021).

- 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)

- 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)

- Voluntary Furlough- Decrease in bi-weekly pay (Furlough Time- Earnings code 650) :
 - 21 days off (8% reduction in fiscal year pay)
 - 15.75 days off (6% reduction in fiscal year pay)
 - 10.50 days off (4% reduction in fiscal year pay)
 - 5.25 days off (2% reduction in fiscal pay)

Proposed days off: _____

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 made during 19 pay periods per year and therefore the biweekly rate will increase.

_____ *(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

IMPORTANT: If the employee's weekly salary will fall below the Fair Labor Standards Act (FLSA) established salary threshold of **\$684** as a result of this voluntary reduction, please send this form to the UA Talent Acquisition department for further review at ua-hrtalent@alaska.edu.

cc: Personnel File

Benefit Considerations for Contract Reduction or Reduced FTE

ACTION/Applicable to	Option/Action Needed	Impacts to Benefits and Pay
<p>CONTRACT REDUCTION Staff (Exempt & Non-exempt)</p>	<p>Reducing contract length from 12 months to shorter duration, minimum 9 months in fiscal year.</p> <p>Off contract period(s) are leave without pay (with benefits), requires job form to place off-and on-contract.</p>	<p>Benefit and other deductions must be changed to the 19-pay schedule to fully recover plan year goal amounts.</p> <p>ORP does not consider off contract periods for vesting purposes.</p> <p>PERS <i>service credit</i> will be reduced which will extend time needed to vest and reach service thresholds.</p> <p>PERS DB <i>salary credit</i> will be granted for months in active work status; only the months in active work status are used in calculation of high three- or five-years' salaries.</p> <p>Plan contributions (PERS DC, ORP, Pension, 403b) will be reduced (fewer pay periods for deductions/contributions).</p> <p>Employees in off contract status may not use annual or sick leave.</p> <p>Employees must be prepared for period of no income while in off contract status.</p>
<p>FTE REDUCTION Staff (Exempt & Non-exempt)</p>	<p>Effort is reduced over course of 12 months.</p> <p>Job form required to reduce FTE of 80 hours (e.g., 90%, 80%, 75%)</p>	<p>Benefit deductions stay on 26-pay schedule if employee is 12 months.</p> <p>Schedule of 30 hours per week (.75 FTE) is the minimum to maintain full time service credit with PERS.</p> <p>20 hours per week (.5 FTE) is the minimum required to maintain benefit eligibility at UA.</p> <p>Pay, sick and annual leave accrual, PERS salary credit and ORP and UA Pension plan contributions are all reduced correspondingly to FTE reduction.</p>
<p>OTHER ISSUES/CONCERNS</p>	<p>Timely job forms to accurately reflect employee assignment and FTE are critical.</p> <p>Workload adjustments should correspond with contract or FTE reductions.</p>	<p>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. 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.</p> <p>Annual and sick leave accruals and retirement contributions to ORP and UA Pension will be reduced accordingly.</p>