Supplemental Guidance for Sequestration and Administrative Furloughs
(As of December 28, 2012)

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A. General

1. What is sequestration?

Sequestration is an across-the-board reduction in Federal budgetary resources in all budget accounts that have not been exempted by statute. Under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, across-the-board reductions are scheduled to take effect on January 2, 2013, unless legislation is enacted that avoids such reductions. If it occurs, this sequestration will reduce each agency's budgetary resources in non-exempt accounts for the remainder of the fiscal year (which runs through September 30, 2013).

2. What is a furlough?

A furlough is the placing of an employee in a temporary nonduty, nonpay status because of lack of work or funds, or other nondisciplinary reasons.

3. What is the difference between a shutdown furlough and an administrative furlough?

An administrative furlough is a planned event by an agency that is designed to absorb reductions necessitated by downsizing, reduced funding, lack of work, or any other budget situation other than a lapse in appropriations. Furloughs that would potentially result from sequestration would generally be considered administrative furloughs. For more information on administrative furloughs, see http://www.opm.gov/furlough/Guidance-for-Administrative-Furloughs.pdf.

In contrast, where there is a lapse in appropriations, a "shutdown" furlough may occur. A shutdown furlough is necessary when an agency no longer has the funds necessary to operate and must shut down those activities that are not excepted under the Antideficiency Act. Many Federal employees may be familiar with these types of furloughs from instances in previous years in which the Government has faced a potential shutdown. For additional

information on shutdown furloughs see OPM's guidance for shutdown furloughs related to potential lapse in appropriations at http://www.opm.gov/furlough/index.asp.

4. What factors may an agency consider when identifying employees that would be subject to administrative furlough?

Agencies are responsible for identifying the employees affected by administrative furloughs based on budget conditions, funding sources, mission priorities, and other factors. See also Procedures and Labor Management Relations Implications on pages 10–21 of OPM's Guidance for Administrative Furloughs.

5. In planning a furlough, how does an agency account for differences among certain groups of employees or certain work units?

An agency has discretion to identify which employees will be furloughed and when to schedule furloughs based on its particular needs and mission. An agency should engage in pre-decisional consultation with the exclusive bargaining representative regarding the exercise of its discretion. To the extent required by law or applicable collective bargaining agreement, agencies must bargain with employees' exclusive representative before implementing a furlough.

B. Employee Status

1. Should Federal employees report to work on January 2, 2013?

Employees who are scheduled to work on January 2, 2013, should report for work. Under sequestration, agencies would still have funds available after January 2, but the overall funding for the remainder of the fiscal year would be reduced. This means that agencies will not be executing any immediate personnel actions, such as furloughs, on January 2. If furloughs or other personnel actions prove to be necessary, agencies will provide affected employees the requisite advance notice.

2. How will I know if I am affected by an administrative furlough?

Each agency will determine the method and timing of notifying employees of whether they are affected by an administrative furlough, subject to applicable laws, regulations and collective bargaining agreements. Different notification requirements apply, depending on the length of the furlough, and are established by law. As a general matter, employees would be provided at least 30 days notification for an administrative furlough scheduled for 22 workdays or less, and at least 60 days notification for an administrative furlough scheduled for more than 22 workdays. See Procedures—22 Workdays or Less and Procedures—More than 22 Workdays (Extended Furlough) on pages 10–18 of OPM's Guidance for Administrative Furloughs. In addition to these requirements, specialized notification procedures may apply to particular agencies, where imposed by other laws.

3. Who should employees contact for information about whether sequestration will impact them and whether they may be furloughed?

Employees should contact their human resources office for information about how sequestration will impact them and whether they may be furloughed. Bargaining unit employees may also contact their union representatives.

4. Are furloughed detailees returned to their home agencies following any furlough?

Detailed employees remain officially assigned to their permanent positions during the detail. During a furlough, each agency will determine the status of their employees on detail within the agency or to another agency.

5. If I am furloughed, am I separated from service?

Employees who are furloughed are not separated from Federal service. They are placed in a temporary nonduty, nonpay status.

6. May I volunteer to do my job on a nonpay basis during any hours or days designated as furlough time off?

No. Unless otherwise authorized by law, an agency may not accept the voluntary services of an employee. (See 31 U.S.C. 1342.)

C. Designation of Furlough Days

1. Can I choose to take my furlough days all at once or spread them out?

Each agency will determine the timing of when employees take administrative furlough days. For employees represented by labor unions, the timing of furlough days is subject to collective bargaining.

An administrative furlough will impact each agency differently depending on the extent of the agency's budget reduction. Agencies may need to schedule and implement furloughs in a manner so as to be able to absorb budget reductions over the course of the fiscal year. For example, an agency may furlough employees for one day per pay period for a finite period of time; designate a number of furlough hours that employees must take; designate specific dates as furlough days off; or allow employees to select their own furlough time off.

2. Can employees be furloughed for half days?

Yes. Agencies have discretion to schedule an administrative furlough in a variety of ways. See Scheduling Furlough Time Off on page 9 of OPM's Guidance for Administrative Furloughs. For example, OPM encourages agencies to take into account the effect of commuting when multiple partial furlough days are scheduled.

D. Pay

1. Are furloughed employees entitled to severance pay?

No. Because furloughed employees are not separated from Federal service, they are not entitled to severance pay.

2. May employees take other jobs while on furlough?

While on furlough, an individual remains an employee of the Federal Government. Therefore, executive branch-wide standards of ethical conduct and rules regarding outside employment continue to apply when an individual is furloughed (specifically, the executive branch-wide standards of ethical conduct (the standards) at 5 CFR part 2635). In addition, there are specific statutes that prohibit certain outside activities, and agency-specific supplemental rules that require prior approval of, and sometimes prohibit, outside employment. Before engaging in outside employment, employees should review these regulations and then consult their agency ethics official to learn if there are any agency-specific supplemental rules governing the employee.

3. Are employees entitled to unemployment compensation while on furlough?

It is possible that furloughed employees may become eligible for unemployment compensation. State unemployment compensation requirements differ. Some States require a 1-week waiting period before an individual qualifies for payments. In general, the law of the State in which an employee's last official duty station in Federal civilian service was located will be the State law that determines eligibility for unemployment insurance benefits. (See the Department of Labor website "Unemployment Compensation for Federal Employees" at http://workforcesecurity.doleta.gov/unemploy/unemcomp.asp.) Agencies or employees should submit questions to the appropriate State (or District of Columbia) office. The Department of Labor's website provides links to individual State offices at http://www.servicelocator.org/OWSLinks.asp.

E. Leave and Other Time Off

1. What happens under sequestration if an employee has use-or-lose leave or earned compensatory time off?

Sequestration should not affect an employee's ability to take approved use or lose annual leave before the end of the leave year on January 12, 2013, or to use earned compensatory time off within the established timelines.

2. How will furlough time off affect an employee's leave accrual and benefits?

Generally, furlough time off is treated like regular leave without pay (LWOP) for leave accrual and benefit purposes. Detailed guidance can be found under Benefits and Service Credit for Various Purposes on pages 6–8 of OPM's Guidance for Administrative Furloughs. Also see http://www.opm.gov/oca/leave/html/LWOP_eff.asp for information on the effect of extended LWOP or other nonpay status on Federal benefits and programs.

F. Holidays

1. Can employees be furloughed on Federal holidays?

Yes. Employees may be furloughed for periods of time that include Federal holidays. However, an agency should select the furlough days off on programmatic and administrative grounds that are unrelated to the fact that the period includes a holiday. For example, an agency may not properly furlough employees for a 3-day period, the middle of which is a holiday, for the sole purpose of saving 3 days' pay while losing only 2 days of work. Nor would it be proper to furlough an employee solely on a holiday.

G. Benefits

1. Who pays for the Federal Employees Health Benefits (FEHB) of furloughed employees? Will sequestration impact an employee's benefits under FEHB?

Agencies continue to be responsible for the agency contribution of any furloughed employees and each employee remains responsible for his or her employee contribution. If an employee's paycheck is insufficient to cover his/her share, the enrollee share will accumulate and will then be withheld from pay upon return to pay status. Detailed guidance on employee benefits during an administrative furlough is found on page 6 of OPM's Guidance on Administrative Furloughs.

H. Miscellaneous

1. Can agencies offer early retirements (VERAs) or separation incentives (VSIPs) to furloughed employees? Can VERA/VSIP be offered during sequestration? Can VERA/VSIP be offered in lieu of a furlough?

Both Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP) are programs to incentivize voluntary separations to avoid involuntary personnel actions associated with an agency's decision to restructure its workforce. Agencies with OPM-approved VERA and or VSIP may continue offering these options to covered employees during a furlough.

VERA and VSIP result in permanent separations from the agency workforce. (Please note that VSIP recipients may not be reemployed by the Federal Government within 5 years

unless they repay the VSIP to the agency that paid it.) Furloughs are associated with temporary issues, such as lack of work or funds, with the intention that employees would return to their jobs after the furlough. The agency would decide which option to take based on its situation, e.g., the need to permanently reduce or restructure its workforce or to save funds by furloughing employees.