



## Sequestration and Furlough



## Purpose

To inform/update the civilian workforce on

- Sequestration
- Administrative Furlough

## CG's Guidance

- Be Open and Transparent
- Protect workforce is a priority



## Sequestration Made Simple

### WHAT IS SEQUESTRATION?

- The term “sequestration” refers to the mandatory reduction in federal budgetary resources of all budget accounts that have not been exempted by statute.
- DoD expects to receive \$46 billion less in non-exempt accounts than it expected through the remainder of fiscal year 2013 which runs through Sep. 30, 2013.
- DoD has determined that planned furloughs of civilian employees will be required should sequestration occur.
- By law, sequestration will last 10 years and cut a total \$1.2 trillion (half from defense, half from non-defense).
- Sequestration cuts require all military services and defense agencies to furlough most DoD civilian employees for an average of one day per week for up to 22 weeks beginning Apr. 25, 2013. This equates to a 20 percent cut in pay for the remainder of the Fiscal Year.



## Furlough Facts

### What is a Furlough?

- A furlough places an employee in a temporary non-duty, non-pay status because of lack of work, reduction or lack of funds, or other non-disciplinary reason
- DoD is implementing furloughs with consistency across the department. Most civilians will be furloughed with few exceptions: (1) those deployed in a combat zone, (2) those who protect the safety of life or property to the extent needed, (3) non-appropriated fund employees (NAF), (4) those exempt by law who hold a presidential appointment with Senate confirmation (PAS), (5) foreign nationals, and (6) those excepted as approved by a 2-star flag officer or tier 2 SES, or higher.
- Furloughs are treated like Leave without Pay for leave accrual and benefit purposes – leave impacted after 80 furlough hours
- Furloughed employees prohibited from working from home or on-site on furlough days - employees may not volunteer nor may they substitute paid leave or other time off for furlough time
- Extensive information is available at [www.opm.gov/furlough/](http://www.opm.gov/furlough/), *click on* “Guidance for Administrative Furloughs” and “Supplemental Guidance for Administrative Furloughs”



## Things to Consider

- On Mar. 1, 2013, across-the-board reductions to current year spending will take place unless legislation is enacted that avoids such reductions. DoD is expected to receive \$46 billion less in non-exempt budget accounts through the remainder of fiscal year 2013. Savings from furloughs will be critical to meeting budgetary cuts by the end of the year.
- Calculate the impact a 20 percent reduction in pay will have on your family's budget and draw-up a plan that will enable you to endure the reduction in income: Things to consider:
  - The total cost of automatic deductions
  - Taking out a bill consolidated loan
  - Increasing savings to cover costs
  - Conduct cost saving measures in areas such as utilities, fuel, movies, restaurants, i.e.

For more information, visit the following:

[www.opm.gov/furlough](http://www.opm.gov/furlough)



## Fiscal Uncertainty

- Fiscal realities are imposing significant strain on DOD
  - Sequestration
  - Continuing Resolution (CR)
- Minimize effect on our workforce
  - USAG- FWA will maximize flexibilities in implementation (will be negotiated with the Union)
  - Important to get the word out on what 'could happen' so our civilians may begin prudent personal planning
- It appears increasingly likely that sequestration will occur



## Guidance on Civilian Employment

- Near-Term Actions
  - Hiring freeze continues –recruitment continues, hiring approval by exception only
  - Decision on releasing Temporary employees deferred to o/a 1 April 13
  - Term employee's appointments will not be extended
  - Filling vacancies will be micro-managed (continue to look for lateral reassignment opportunities within the Garrison)
  - Exception process underway for Furlough...higher guidance is very few exceptions will be granted.



## Administrative Furlough

Furlough is: Placement of employee into a temporary, non-pay, non-duty status due to reduced funding, positions or other budget situation

- Duration:
  - Administrative Furlough plan:
  - 22 discontinuous days (176 hours) through end of Fiscal Year
  - Usually 1 day a week / 16 hrs per pay period
  - Equals 20% pay reduction
- Timing:
  - 45 day notification to Congress – Accomplished by SECDEF on 20 February 13
  - Local Union bargaining as required
  - 30 day Proposed Furlough Notice to employees (may run concurrent)
  - Employee will have 7 days to respond to notice
  - Written notice of decision to furlough issued
  - Commanders determine exact days/hours (subject to local union bargaining)
  - Anticipate earliest furlough day would be late April 13
- Entire civilian workforce could be furloughed



## Administrative Furlough

- Implementation Issues:
  - Supervisors need to coordinate furlough days to mitigate the impact to the workweek – need to spread furlough throughout the week – subject to local union bargaining
  - On furlough days employee can NOT work...non-pay, non-duty status
    - Can't 'volunteer' to come to work or work from home;
    - Can't answer Blackberry, e-mails, text messages
  - Cannot use premium pay (differential, overtime, or comp time) to offset furlough
  - No expectation that there will be any back pay for furloughed days
- Effect on pay and benefits:
  - Gross pay/Net pay - reduced due to fewer hours and benefit costs are NOT reduced
  - TSP – reduced if contributing a percentage

Information is also available online at [www.OPM.GOV](http://www.OPM.GOV)



## Effects of Administrative Furlough

- Furlough will most likely affect all DA civilians employees assigned to USAG-FWA
- Will not have any effect on high-3 average retirement calculation... based on annual salary
- Health Benefits and Life Insurance coverage continues.
- Unemployment benefits unlikely (depends on Alaska state policy).
- Leave (annual, sick, holiday)
  - Employee cannot schedule leave (annual or sick) on furlough days
  - Holidays cannot be used as furlough day
- Federal employees can use employee assistance programs, including financial consultation services to help with finances
- Employees may take part-time employment outside of Federal government – provided there is no conflict of interest



## Questions and Concerns

- **USAG-FWA Public Affairs: 907-353-6701**  
Email [linda.douglass.civ@mail.mil](mailto:linda.douglass.civ@mail.mil) or  
[ICE](#) comments & questions
- **USARAK Public Affairs: 907-384-1542 or 907-384-2072**
- **Additional town halls will be held as needed**

# Fort Wainwright Garrison Sequestration Brief



End of Brief

**INSTALLATION MANAGEMENT COMMAND**



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