

**University of Oregon
Voluntary FTE Reduction/Donation Program
October 2009**

Frequently Asked Questions (FAQs)

General Information about the program:

1. What is the Voluntary FTE Reduction/Donation Program?

The Voluntary FTE Reduction Program is a temporary reduction in FTE available to University of Oregon unclassified employees to assist with current budget challenges. A donation option is also available, which may be preferable to the FTE reduction for those nearing retirement.

2. To whom does this program apply?

All unclassified employees (i.e., officers of instruction, research, and administration) may participate in the program.

3. Why is this program offered now?

Some unclassified employees have indicated an interest in taking a voluntary reduction in FTE or making a donation in light of the mandatory unpaid leave (or furlough program) that is part of the SEIU agreement for classified employees. This program is offered to foster a commitment to share in, and contribute to, the resolution of the financial challenge affecting the university and members of its community. An employee's decision to participate or not to participate will have no employment consequences.

Participation information:

4. How do I elect to participate in the Voluntary FTE Reduction/Donation Program?

Complete the Voluntary FTE Reduction/Donation Program Election Form and obtain your supervisor's signature (see question 7), and fax or deliver it to the Payroll Office by the 10th of the month in which you want to begin participation. (Payroll fax: 6-1109) Your earnings statement will reflect your reduced pay or additional deduction or donation.

5. Can I elect to participate in the Voluntary FTE Reduction Program at any time?

Yes, you have the option of beginning the voluntary FTE reduction in any month. An FTE reduction election that is received after the 10th of the month will be effective the first of the following month.

6. Where will the salary savings from my FTE reduction go?

The savings will remain with your unit's budget.

7. Can I stop my participation at any time?

Yes, you can stop by completing and signing the cancellation section of the voluntary FTE to rescind your voluntary FTE reduction or to stop your donation deduction. The form will need to be submitted to the Payroll Office by the 10th of the month.

8. Do I need supervisory approval to participate in the program?

You need supervisory approval if you are voluntarily reducing your FTE because it will have operational implications. If you choose the donation option, you do not need your supervisor's approval.

Donation option:

9. May I donate a portion of my salary to the university in lieu of taking a reduction in FTE?

Yes. This option may appeal to employees who are nearing retirement, have personal financial reasons to maintain their salary at its current rate, or whose salary is paid from a grant, endowment, or other restricted funding source. You may donate any amount to the university through a payroll deduction. The website listed above will help you calculate the appropriate amount for a specific FTE reduction, if that's what you want. A contribution to the UO is considered a charitable contribution. The tax rules that govern other charitable contributions will also affect your donation. If you have questions, you should seek advice from a tax advisor.

10. Can I designate how I want my donation used?

Under this program, your donation will be returned to your unit. If you wish your donation to be directed elsewhere, please complete the form available on the Foundation website at: http://www.isupportuoregon.org/faculty_and_staff/payroll_deduction_form.

11. Will I receive a receipt for my donation?

The donation amount will be listed as a charitable contribution on the employee's earnings statement. The university will not issue any additional gift receipt.

12. May I donate a flat dollar amount that does not correspond to an FTE reduction?

Yes. If you choose to donate in this way, a minimum donation of \$25 per month is appreciated.

Funding sources:

13. Does the Voluntary FTE Reduction/Donation apply to employees who work on grant-funded projects?

If you are paid from sponsored research or grant funds, you may not elect a reduced FTE option. You may, however, participate in the Donation Option described in question 21. Please confer with Moira Kiltie at 346-3138 if you have questions.

14. Is it appropriate for all employees to participate in the Voluntary FTE Reduction/Donation Program regardless of funding sources (restricted or unrestricted sources)?

It is expected that the Voluntary FTE Reduction Program will be consistently applied in compliance with Federal OMB Circular A-21. If you are the recipient of an endowed chair you may participate. However, the portion supported by endowment will not be taken into account for a reduced FTE. Employees paid from restricted funding sources (e.g. grants, contracts,

endowments, etc.) will need to exercise the Donation Option under this program. This is because the university is unable to utilize salary savings on restricted funding sources to offset general fund budget reductions.

FTE reduction, work schedule and overtime:

15. Is an FTE reduction the same as a temporary reduction in salary?

No. An FTE reduction allows the person to work fewer hours in return for agreeing to a reduction in pay. The salary rate, expressed as the amount earned at 1.0 FTE on an annual basis, remains unchanged. The employee's gross pay, however, is reduced by the amount of the FTE reduction. In this voluntary program, both FTE and gross pay are reduced to reflect the reduction in FTE in each of the months that the Voluntary FTE Reduction program is in effect.

16. Is FTE reduction the same as a taking leave without pay?

No. An FTE reduction is not reportable leave, but is an earnings change and will be recorded as "FTE Change -Temporary" on payroll records.

17. May an employee work overtime during the period of voluntary FTE reduction?

FLSA- exempt employees are exempt from overtime and not affected by questions of overtime. For the program, the goal is to maintain the integrity of your Voluntary FTE Reduction that anticipates your paid work is reduced. This program affects your FTE, not your status as an exempt or non-exempt employee.

FLSA non-exempt employees may be required to work overtime for operational reasons and with supervisory authorization and will be compensated appropriately.

Effect on benefits:

18. What effect will the Voluntary FTE Reduction have on my benefits?

PEBB Health Insurance. Your health benefits eligibility and contributions will not be affected, so long as you have at least 50% paid time (including paid vacation or sick leave) in each month.

PERS and ORP Pension Plans. The FTE reduction will reduce contributions -- both the employer contribution and the 6% "employee" contribution that is picked up for you -- as a result of the reduction in your salary. The contribution rate (percent of salary) is not reduced, but the dollar amount will decline due to your reduction in FTE. For PERS members, the Voluntary FTE Reduction and associated wage reduction will affect the Final Average Salary (FAS) calculation that could determine your PERS/OPSRP retirement allowance, depending on the calculation used. The FAS is based on your highest 3 years' salary and any reduction in pay could affect the "high three years" value. In addition, your contribution to Individual Account Program (IAP) will also be lower.

Voluntary Retirement Savings Plans. Salary deferrals that you make to the voluntary supplemental retirement plans -- the Tax-Deferred Investment 403(b) Plan (TDI) or Oregon Savings Growth Plan -- may be a percent of salary that will decline when your FTE is reduced.

When your base salary changes due to the Voluntary FTE Reduction, you may adjust your pre- and post-tax deferral amounts. Changes in your retirement savings plan deferral must be made by the 10th of the month in which they are to be effective.

Sick Leave and Vacation Accrual. OUS rules provide that your rate of sick and vacation leave accruals will be unchanged from your pre-participation accrual rate during the Voluntary FTE Reduction/Donation Program.

Information about leaves:

19. If I use sick or vacation leave while on the program, how should I report the hours?

You report the normal number of hours for your FTE. For example, if you are full-time and took a day of sick leave, you report a day of sick leave as 8.0 hours. Please note your monthly accrual of 8 hours will not be reduced despite the reduced FTE.

20. If I leave employment during the Voluntary FTE Reduction/Donation period, at what rate will my accrued vacation be paid out?

Your vacation payout will be based on your actual accrued hours, up to the 180-hour limit under OAR 580-021-0030(7), at your current rate of pay. FTE reduction does not affect this payout.

21. Will my participation in the Voluntary FTE Reduction/Donation Program affect my holiday pay?

Holidays are paid at the same rate as regular work days while the FTE reduction is in effect. Your election to reduce your FTE during this period applies to holidays and holiday pay.

22. How will the program impact an employee who is on Family and Medical Leave Act (FMLA) or Oregon Family Leave Act (OFLA) qualifying leave?

An employee who elects to participate in the Voluntary FTE Reduction/Donation Program and then goes on FMLA/OFLA-qualifying leave will not be required to pro-rate the FMLA/OFLA available leave to reflect the FTE reduction. The full amount of leave permitted under FMLA or OFLA will be available to an employee who worked at 1.0 FTE during the prior 12 months.

Effect on tenure, sabbatical, overload, and stipends:

23. Will a voluntary FTE reduction affect the timing of tenure or sabbatical?

No. The amount of time involved in the voluntary FTE reduction is minimal and will not affect either the tenure or sabbatical time periods.

24. How does the Voluntary FTE Reduction/Donation Program affect overload appointments?

An employee who is employed in excess of 1.0 FTE through an overload appointment at UO or another OUS institution must notify the overload-sponsoring institution at the time the employee elects to participate in the Voluntary FTE Reduction/Donation program. The institution offering the overload appointment is responsible for applicable OPE, including retirement contributions, up to 1.0 FTE.

25. I am currently receiving a stipend in addition to my regular salary. How would a voluntary FTE reduction be calculated on my salary plus stipend?

The FTE reduction would apply only to your regular salary, not the stipend.

Other questions:

26. May employees volunteer to take an FTE reduction on behalf of another employee?

No.

27. Is my participation in this Voluntary FTE Reduction/Donation Program confidential personnel information?

Public officials' wages are public information. Your reduced FTE will be subject to public records law.

28. Whom do I contact with questions?

Questions on the Voluntary FTE Reduction Program and its administration can be directed to Linda King, Associate Vice President for Human Resources, at 346-2966; llking@uoregon.edu.

Questions on payroll implications of the program go to Judy Duff, Payroll Manager, Business Affairs Office, at 346-1104; JudyDuff@uoregon.edu.

A website has been set up to provide program information and calculation assistance in estimating the salary impact of your decision at: <http://hr.uoregon.edu/fte-reduction>. **Change address**