

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES Bureau of Human Resources
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June 25, 2001

HUMAN RESOURCES MEMORANDUM 4-01

TO: Agency/Department Heads, Personnel Managers, Directors of
Administrative Services

SUBJECT: EXTENSION OF VOLUNTARY COST SAVINGS PROGRAMS

The **Voluntary Cost Savings Programs** have been extended by the Legislature (Public Law 2001, Chapter 358, Part F) and are available for participation through June 30, 2003. Agencies must notify employees of this extension and distribute the program information provided in this memorandum to employees as soon as possible.

PROGRAM DEFINITIONS

See Attachment 1 for detailed processing information and Attachment 2 for detailed program information.

Reduced Workweek: Full-time employees may apply to their appointing authority to reduce their workweek to part-time, and part-time employees may apply to work fewer hours than the number of hours for which their part-time position is established. **Note: Appointing authorities may approve reduced work weeks of less than 20 hours per week.**

Sporadic Leave: Full-time and part-time employees may apply to their appointing authority to take sporadic days off without pay. Leave must be taken in blocks of eight (8) hours or the number of hours in the normal work day. Sporadic days may be consecutive, but not more than five (5) days of sporadic leave may be taken during any biweekly pay period.

Unpaid Leave: Full-time and part-time employees may apply to their appointing authority to take up to one (1) year of unpaid leave. Unpaid leave must be for at least one week.

Flexible Position Staffing: Subject to approval by the appointing authority or appointing authorities involved, the hours of a single full-time position may be divided between two (2) full-time employees who are qualified for appointment to that position.

HEALTH, DENTAL AND LIFE INSURANCE

Health and Dental Insurance: Participants in the voluntary cost savings programs will not experience a reduction in health and dental insurance benefits. For participants who stay on the payroll, the State's payment for the participant's coverage and the State's share of the participant's dependent health insurance package will continue to be based on the work schedule in effect prior to participation. Deductions will be made for the participant's share of dependent coverage. For

participants who take unpaid leave, the State will make payments for the participant's coverage and the State's share of the participant's dependent health insurance package based on the work schedule in effect prior to participation. The participant will be billed for the participant's share of dependent coverage.

Life Insurance: Participants in the Voluntary Cost Savings Program will be allowed to continue the life, accidental death and dismemberment, supplemental and dependent insurance coverage amounts that were in effect prior to participation. For participants who stay on the payroll, the State will continue to pay the employee premium for the prior basic coverage, and deductions will be made for the cost of supplemental and dependent plans, as appropriate. Participants who go off the payroll to participate may pay the premium cost required to continue their life insurance coverage, **provided the required payment is made within thirty-one days of their last paycheck.**

APPLICATION GUIDELINES

1. Employees must complete the FY 2001-FY 2003 application form, Per 115 (6/01). **Note: The Per 115 (6/01) application form for FY01-FY03 is available on the Bureau of Human Resources homepage under "BHR Forms."** If a VCSP application form from a previous fiscal year is used for programs that start on or after July 1, 2001, please edit to show the correct fiscal year dates.
2. Participation in the Voluntary Cost Savings Program is subject to the approval of the appointing authority, in accordance with the impact that participation will have on operational needs.
3. Agencies must respond to employee requests for participation in the Voluntary Cost Savings Program as soon as possible after applications are received and, to the extent that operational needs and program requirements allow, try to meet each applicant's terms for participation.
4. Project employees, temporary (acting) employees, and intermittent employees are **not eligible** to participate in the Voluntary Cost Savings Program. Each of these types of employment is the result of a pre-determined operational need that precludes the possibility for approval for a reduced workweek or an unpaid leave of absence.
5. Formal Human Resource and position processing actions are required for all approved applications except sporadic days off. See **Attachment 1** for processing instructions.
6. Applications that are approved for participation in the Voluntary Cost Savings Program other than Sporadic days off must be submitted to the Bureau of Human Resources with the MFASIS forms necessary to start this participation. See **Attachment 1** for processing instructions.

CHANGE TO APPROVED PARTICIPATION DATES

1. In the event of a personal or financial hardship, applicants or participants may obtain the approval of the appointing authority to modify the dates of participation that were reported on their approved application.
2. If a participant is notified of layoff, that employee's participation must be terminated, and the employee must be provided all layoff rights and privileges.

VOLUNTARY PROGRAMS WORKSHEET GUIDELINES

1. Agencies must complete a savings estimation for each application received using the Voluntary Programs Worksheet, Per 108G (6/01). *Savings must be calculated for VCSP applications that are either approved or denied.* **Note: Form Per 108G is available on the Bureau of Human Resources homepage under “BHR Forms.”**
2. If the terms of participation are changed after the worksheet has been submitted, agencies must submit a revised worksheet to reflect the revised savings.
3. If an employee will be participating in more than one Voluntary Cost Savings Program, a separate worksheet will need to be completed for each program.
4. Submit completed worksheets to the Bureau of Human Resources as applications are received, regardless of the program starting date. Retain a copy for department files.

S/ Donald A. Wills

Donald A. Wills, Director

BUREAU OF HUMAN RESOURCES

Attachment 1 - Processing Instructions

Attachment 2 - Program Information

FISCAL YEAR 2001-2003 VOLUNTARY COST SAVINGS PROGRAM**POSITION PROCESSING INSTRUCTIONS**

Reduced Workweek. Position Hours field codes to be used are "V" if hours are reduced from full-time to part-time and "P" if hours are reduced from part-time to lesser part-time.

Flexible Position Staffing. Alphabetical Position Number Suffix codes to be used are D (parent position), E and F instead of the standard S, A and B.

Unpaid Leave. Place a "5" in the Position Status Field.

Sporadic days off. No change to position file is required.

HUMAN RESOURCES PROCESSING**Reduced Workweek**

1. To start participation, submit Position Detail Records to the Bureau of Human Resources to reduce position hours. Attach the Application.
2. The Bureau of Human Resources will notify the department when this position change has been processed by the Bureau of the Budget. The department may then process a salary change as follows:

Screen	Codes
H0BU5	O - Voluntary Reduced Hours
UH1U1	G - Salary Change Q - Voluntary Reduction to Part-time

Comment: Hours reduced from X to Y
biweekly

Flexible Position Staffing

1. To start participation, submit Position Detail Records to the Bureau of Human Resources to change one target position to job share, using Codes D, E and F and to freeze the other target position for the duration of the job share arrangement. Attach the applications.
2. The Bureau of Human Resources will notify the department when these position changes have been processed by the Bureau of the Budget. The department may then transfer the employees to the appropriate position numbers as follows:

Screen	Codes
HMHU1	45 - Internal Transfer
H0BU5	O - Voluntary Reduced Hours

UH1U1

E - Transfer

Q - Voluntary Reduction to Part-time

T - Voluntary Job Share

Unpaid Leave

1. To start participation, submit Position Detail Records and Application to the Bureau of Human Resources to freeze the participant's position for the duration of the leave.
2. The Bureau of Human Resources will notify the department when the freeze action has been processed by the Bureau of the Budget. The department may then process the unpaid leave as follows:

Screen**Codes**

H0BU6

O - Voluntary Unpaid Leave

UH1U1

R - Voluntary Unpaid Leave

Sporadic Days Off

Submit application form and Voluntary Program (Cost Savings) Worksheet to Bureau of Human Resources.

NOTE: Positions that are reduced in hours by participation in the Voluntary Cost Savings Program will be frozen at the reduced number of hours, and positions that become vacant as the result of unpaid leave will be frozen for the duration of the leave period. However, positions may be restored to previous levels of funding and temporarily vacated positions may be filled if this is in the best interest of the agency and the agency can identify an alternative savings. Alternative savings must be approved by the Bureau of the Budget.

FISCAL YEAR 2001-2003 VOLUNTARY COST SAVINGS PROGRAM**PROGRAM INFORMATION****Reduced Workweek**

- Participants will be treated as part-time employees and will receive retirement service credit in accordance with the retirement system plan in effect for their reduced position. **Participants must contact the Retirement System for information concerning the service credits that will be provided while in the reduced position.**
- Participants will accrue seniority based on authorized hours prior to participation in a Reduced Workweek.
- Participants will earn vacation and sick leave on a pro-rated basis in accordance with the number of part-time hours in the reduced schedule and contractual agreements in effect.
- Participants with permanent status will continue to be eligible for merit increase consideration on the Performance Review Date (Anniversary Date) in effect immediately prior to participation.
- For participants who are on probation and do not have an established anniversary date, the end of probation date and performance review date will be established in accordance with the practice for part-time employees.
- Participants will be compensated for holidays in accordance with the practice in effect for part-time employees.

Sporadic Leave Program

- Participants will be continued on the payroll **without any change to employment benefits**. Pay for days not worked during a payroll period as the result of participation in this program will be deducted from the check issued for that payroll period.
- Participants will accrue seniority based on authorized hours prior to participation in a Sporadic Leaves.
- Participants who take sporadic days off before or after a holiday will remain eligible for holiday pay.

Unpaid Leave

- If life insurance coverage is discontinued while on voluntary unpaid leave, only basic life insurance will be restored automatically when the participant returns from leave. Supplemental and dependent plans will not be restored without proof of insurability.
- Participants will not earn seniority while on voluntary unpaid leave.

- Participants in this voluntary cost savings program will not realize a break in service, but total service will remain as it was prior to participation and time on unpaid leave will not be credited to the length of service needed for an increase to the vacation accrual rate. **(The time on unpaid leave must be added to the adjusted service date when participation ends).**
- Participants who take up to thirty days of unpaid leave from a full-time position, whether or not this unpaid leave is taken through participation in a voluntary cost savings program, receive credit for one year of retirement service. However, if the total leave from a full-time position exceeds thirty (30) days, retirement service is pro-rated in accordance with the rules and regulations of the Maine State Retirement System.
- Participants who take unpaid leave from a part-time position must contact the Retirement System to determine the service credit that will be provided.
- Participants with permanent status will continue to be eligible for merit increase consideration on the Performance Review Date (Anniversary Date) in effect immediately prior to participation.
- Participants who are on probation and do not have an established anniversary date will have their end of probation and performance review dates extended by the amount of unpaid leave taken.
- Participants will be credited with longevity service for all time on voluntary unpaid leave.

Flexible Position Staffing

Participants who stay on the payroll with reduced hours will be treated in the same manner as reduced work week participants. Participants who stay on the payroll with full time hours for part of the program and go off the payroll for part of the program will not realize any change to employment benefits while on the payroll and will be treated in the same manner as unpaid leave participants while off the payroll.