Introduction:

Voluntary Reduction in Work Schedule (VRWS) is a program that allows employees to voluntarily trade income for time off. The VRWS program is available to eligible annual-salaried employees in the Administrative Services Unit (ASU), Operational Services Unit (OSU), and Institutional Services Unit (ISU). Individual VRWS agreements may be entered into for any number of payroll periods up to a maximum of 26 biweekly pay periods in duration and must expire at the end of the last payroll period in the fiscal year.

1. Purposes
   a. VRWS provides agencies with a flexible mechanism for allocating staff resources.
   b. VRWS permits employees to reduce their work schedules to reflect personal needs and interests.

2. Limitations: Eligibility, Work Schedule Reduction, Term of VRWS
   a. Eligibility: This program is available to certain annual-salaried employees in the Administrative Services, Operational Services, and Institutional Services Unit(s).

   Employees are required to be employed to work on a full-time annual salaried basis for a minimum of one bi-weekly payroll period immediately prior to the time of entry into the VRWS Program. Time on paid or unpaid leave from a full-time annual salaried position satisfies this requirement.

   and

   Employees must remain in a full-time annual salaried position during the term of the VR agreement.

   and

   Employees must have one continuous year of State service on a qualifying schedule (any schedule which entitled the employee to earn leave credits, not necessarily a full time schedule).

Consistent with the way in which creditable service is counted under the Attendance Rules, separations of less than one year and periods of leave without pay of any duration are not counted toward the one-year service requirement but do not constitute a break in service. Employees who separate from State service (through resignation, termination, layoff, etc.) for more than one year cannot count service preceding that break in service toward the one-year requirement (unless the employee is reinstated by the Civil Service Commission or Department or appointed while on a preferred list.) Payroll periods of VRWS participation, Sick Leave at Half Pay, or Workers'
Compensation Leave and time on the Leave Donation Program will count toward the one-year service requirement.

b. Work Schedule Reduction: Participating employees may reduce their work schedules (and salaries) a minimum of five (5) percent, in five percent increments, up to a maximum of thirty (30) percent.

c. Term of VRWS Program: Effective with the first full biweekly payroll period in October, 2000, the VRWS program will commence for employees in the Administrative Services, Operational Services, and Institutional Services Units.

3. Description of an Employee VRWS Agreement

a. An employee develops a plan for a reduced work schedule.

b. Management reviews and approves the plan as long as it is consistent with operating needs.

c. Jointly agreed plan specifies:
   1. Duration of VRWS agreement which may be up to a maximum of 26 biweekly payroll periods with the VRWS agreement expiring the last day of the last payroll period in the fiscal year.
   2. Percentage reduction of work schedule and salary.
   3. Amount of VR time earned in exchange for reduced salary.
   4. Schedule for use of VR time earned. This may be either a fixed schedule, e.g., every Friday, every Wednesday afternoon, an entire month off, etc. or intermittent time off.
      i. An employee’s fixed schedule VR time off, once the VRWS schedule has been agreed upon by management, cannot be changed without the consent of the employee except in an emergency. In the event an employee’s schedule is changed without his or her consent, the employee may appeal this action through an expedited grievance procedure.
      ii. VR time used as intermittent time off will be subject to scheduling during the term of the VRWS agreement, and will require advance approval by the employee’s supervisor.

d. While the VRWS agreement is in effect, the employee will earn and accumulate VR credits in accordance with the percentage reduction in work week, e.g., a 10 percent reduction will result in 7.5 or 8 hours of VR credit earned each payroll period which the employee will charge on his or her scheduled VR absences. If the employee’s VRWS schedule calls for one-half day off every Friday afternoon, 3.75 or 4 hours of VR credits will be charged for each Friday. An employee whose VRWS agreement calls for a 10 percent reduction and taking an entire month off will work his or her full 37.5 or 40 hours each week, accrue 7.5 or 8 hours of VR credit each payroll period, and have the accumulated VR credits to use during that month.

e. The employee never goes off the payroll. The employee remains in active pay status for the duration of the agreement and receives pay checks each payroll period at the agreed-upon, temporarily reduced level.

f. The employee will work a prorated share of his or her normal work schedule over the duration of the agreement period.
g. Participation in the VRWS program will not be a detriment to later career moves within the agency or the State.

h. Scheduled non-work time taken in accordance with a VRWS agreement shall not be considered to be an absence for the purpose of application of Section 4.5(f) of the Civil Service Rules governing probationary periods.

4. **Time Limits**

The employee and management can establish a VRWS agreement on a fiscal year basis of any number of payroll periods in duration from one (1) to twenty-six (26). The VRWS contract expires the last day of the last payroll period in the fiscal year. The VRWS agreement must begin on the first day of a payroll period and end on the last day of a payroll period. VRWS ending balances must be segregated for each fiscal year. The employee and management may, by agreement, discontinue or modify the VRWS agreement if the employee's needs or circumstances change.

5. **Time Records Maintenance**

   a. All VRWS schedules will be based on the crediting and debiting of VR credits on the employee's time card against a regular 37.5 or 40 hour workweek.

   b. VR credits earned during an agreement may be carried on the employee's time card past the end of the individual VRWS agreement and past the end of the fiscal year but must be liquidated by the September 30th following the end of the fiscal year in which the individual VRWS agreement expires. VRWS ending balances must be segregated for each fiscal year.

   c. There is no requirement that existing paid leave credits (including previously earned and banked VR credits) be exhausted prior to the beginning of the new VRWS agreement. However, agencies should encourage employees to use carried-over VR credits on a priority basis.

6. **Advancing of VR Credits: Recovering a VR Credit Debit**

   a. To accommodate an employee whose VRWS agreement calls for an extended absence during the agreement period, an agency may advance VR credits in an amount not to exceed the number of hours for which the employee is paid in one payroll period.

   b. If an employee terminates his or her employment and has a VR debit, the agency shall recover the debit from the employee's lagged salary payment for his or her last payroll period at work.

7. **Coordination with Alternative Work Schedules**

   It is possible to coordinate VRWS agreements with Alternative Work Schedule arrangements when desired by the employee and consistent with operating needs. For example, a VRWS agreement may be combined with four-day week scheduling for a 37.5 hour/week employee by the employee opting for a 10 percent reduction to produce a workweek of 3 days of 8.5 hours and 1 day of 8.25 hours. Such a schedule would generate savings for the employee of commuting expenses, child care costs, etc. An alternative work schedule which applies to a single employee is considered to be an
individualized work schedule and does not require approval through the normal Alternative Work Schedule approval process.

8. **Effect on Benefits and Status**

The effect of participation in the VRWS program on benefits and status is outlined in Appendix A of the CSEA bargaining Agreement.

9. **Effect on Overtime Payment for Overtime Eligible Employees**

Scheduled absences charged to VR credits, unlike absences charged to leave credits, are not the equivalent of time worked for purposes of determining eligibility for overtime payments at premium rates within a workweek. For example, an employee who, under an 80 percent VRWS schedule, works four days, charges the fifth day to VR credits, and is called in to work a sixth day, will not be considered to have worked the fifth day and thus will not be entitled to premium rate payments on the sixth day. Similarly, VR credits earned, banked and charged after the payroll period in which they are earned are not counted in determining eligibility for overtime in the workweek in which they are charged. However, employees who work full time at reduced salary and bank VR credits who, as the result of working and charging leave accruals other than VR credits, exceed their normal 37.5 or 40-hour workweek continue to be eligible for overtime compensatory time and paid overtime in that workweek as appropriate.

Sections 135.2(h) and (i) of Part 135 of the Budget Director's Overtime Rules are waived to the extent necessary to permit payment of overtime compensation to overtime-eligible employees who are participating in this program.

10. **Discontinuation or Suspension of VRWS Agreements**

Although VRWS agreements are for stated periods of time, they can be discontinued by mutual agreement at the end of any payroll period. VR agreements may be discontinued, at management discretion, when an employee is promoted, transferred or reassigned within an agency, facility or institution, although VR credits must be carried forward on the employee’s time record.

VR agreements may also be discontinued when an employee moves between agencies or between facilities or institutions within an agency. (See Provisions for Payment of Banked (Unused) VR Time in Exceptional Cases below.)

Employees who go on sick leave at half pay for 28 consecutive calendar days, who receive leave donation credits for 28 consecutive calendar days or who are absent because of a work-related injury or illness for 28 consecutive calendar days will have their VRWS agreement suspended and be returned to their normal full-time work schedule and pay base. For accidents occurring on or after July 1, 1992, CSEA employees covered under the Statutory Benefit Program will continue on VRWS until the first day
they are placed on workers' compensation disability leave, at which time they will have their VRWS agreement suspended. Suspension of a VR agreement does not extend the agreement beyond its scheduled termination date. If the employee returns to work prior to the scheduled termination date of the VR agreement, the employee's participation in the VR agreement resumes and continues until the scheduled termination date, unless both parties agree to terminate the agreement.

11. Provisions for Payment of Banked (Unused) VR Time in Exceptional Cases

The VRWS program is intended to be a program that allows employees to voluntarily trade income for time off. The agreement for program participation between the employee and management includes a plan for the use of VR time earned. Management must make every effort to ensure that VR time earned by an employee is used (1) under the terms of the individual VRWS agreement, (2) before the September 30th liquidation date (see Section 5b), (3) before the employee separates from State service, and (4) while the employee is on the job he or she was in when the VRWS program agreement was made. If this is not possible, payment for banked (unused) VR time may be made in exceptional cases that fall under the following criteria:

a. Upon layoff, resignation from State service, termination, retirement or death, unused VR time will be paid at the then current straight time rate of pay.

b. Upon movement of an employee from one agency to another or between facilities or institutions within an agency, unused VR time will be paid at the then current straight time rate of pay by the agency or facility/institution in which the VR time was earned, unless the employee requests and the new agency or facility/institution accepts the transfer of the VR time on the employee's time card. The lump sum payment for VR balances upon movement to another agency or facility/institution will be made irrespective of whether or not the employee is granted a leave of absence from the agency where the VR time was earned. Payment will be made within two payroll periods following the move to the new agency/facility/institution.

c. VRWS ending balances must be segregated for each fiscal year. Employees who accumulate VR time in a fiscal year and who are unable to use the VR time by the applicable September 30th liquidation date due to management requirements predicated on workload will be paid at the then current straight time rate of pay. Payment will be made within two payroll periods following the applicable September 30th liquidation date. Requests for payment in the exceptional cases specified in this subparagraph, as distinct from those specified in subparagraphs (a) and (b) above, should be directed to GOER Research Division–VRWS Program and will be decided on a case-by-case basis.

In all cases where payment for unused VR time is made, notification of payment must be sent to GOER Research Division–VRWS Program. Such notification must include date of payment, circumstances of payment, employee's name, title, number of hours in the employee's normal workweek (37.5 or 40), number of
days of unused VR time, daily rate of pay, and gross dollar amount of payment. In addition, agencies must certify that they have not already used these savings for replacement staff in other programs or, if they have, identify another funding source for the payment.

12. Review of VRWS Denials
   a. Individual Requests

An employee whose request to participate in the VRWS program has been denied shall have the right to request a written statement of the reason for the denial. Such written statement shall be provided within five working days of the request. Upon receipt of the written statement of the reason for the denial, the employee may request a review of the denial by the agency head or the designee of the agency head. Such requests for review must be made, and will be reviewed, in accordance with the following procedure:

1. Requests must be submitted by the employee or the employee's representative within ten working days of receipt of the written statement or of the date when the written statement was due.
2. Requests must be submitted to the official who serves as the agency head's designee at Step 2 of the grievance procedure. Employees of facilities must concurrently provide a copy of such request to the facility head.
3. Such requests shall specify why the employee believes the written reasons for the denial are improper. The request must explain how the employee believes his or her work can be reorganized or reassigned so that his or her participation in the VRWS program will not unduly interfere with the agency's program operations.
4. The designee of the agency head shall review the appeal and make a determination within ten working days of receipt. The determination shall be sent to the employee and a copy shall be sent to the President of CSEA. The determination shall be based on the record, except that the agency head's designee may hold a meeting with the employee and/or the employee's supervisors if the designee believes additional information or discussion is required to make a determination. If the employee believes that there are special circumstances that make a meeting appropriate, the employee may describe these circumstances in addition to providing the information specified in paragraph 3 above, and request that a review meeting be held. The agency head's designee shall consider such request in determining whether or not to hold a review meeting.
5. The determination of the agency head's designee shall not be subject to further appeal.
b. **Facility-Wide or Agency-Wide Practices**

When CSEA alleges that an agency or a facility, or a sub-division thereof, has established a practice of routinely denying employee applications to participate, this matter shall be an appropriate subject for discussion in a labor/management committee at the appropriate level. Such labor/management discussions shall be held in accordance with relevant provisions of the applicable negotiated agreement.

13. **Exceptions**

The restrictions and limitations contained in these Program Guidelines may be waived by the Governor's Office of Employee Relations whenever that Office determines that strict adherence to the guidelines would be detrimental to the sound and orderly administration of State government.