Voluntary Reduction Request Form – Exempt Employees

Assignments may not be reduced to less than 9 months or less than 50% full-time equivalent (FTE)

Name: __________________________
Employee ID: ______________________
TKL: __________________________
Position Title: __________________________
PCN: __________________________
Dept: __________________________

I voluntarily request and consent to the reduction of my employment at the University of Alaska for FY20 only (July 1, 2019 through June 30, 2020).

- Work reduced hours each pay period:
  □ 75 hours per pay period (6.25% reduction or 93.75% FTE)
  □ 70 hours per pay period (12.5% reduction or 87.5% FTE)
  □ 64 hours per pay period (20% reduction or 80% FTE)
  □ 60 hours per pay period (25% reduction or 75% FTE)
  □ 40 hours per pay period (50% reduction or 50% FTE)

Proposed schedule: __________________________ (may not exceed 40 hours per week)
Effective date: __________________________
(when possible, proposed schedule changes should align with the beginning of a pay period)

- Reduced year contract:
  □ 11-month contract
  □ 10-month contract
  □ 9-month contract

Proposed schedule: __________________________
Effective date: __________________________
(when possible, proposed schedule changes should align with the beginning of a pay period)

- Days off without pay (Leave Without Pay - LWOP):
  □ 21 days off (8% reduction in pay)
  □ 15.75 days off (6% reduction in pay)
  □ 10.50 days off (4% reduction in pay)
  □ 5.25 days off (2% reduction in pay)

Proposed days off: __________________________
(may not exceed 5 days of LWOP per pay period)

By initialing below, you understand and agree to the following:

_____ (Initials) I understand that if I am contributing to the PERS retirement system, my PERS service credit will be reduced if I work a schedule of less than 30 hours per week or if I have more than 10 days of intermittent or continuous leave without pay (LWOP) during a calendar year, including any time off contract.

_____ (Initials) I understand that by reducing my pay, my retirement contributions will be reduced, my University leave accrual and holiday pay will be prorated and that annual leave remains subject to a maximum accrual of 240 hours. (Please see attached matrix that outlines benefit and pay impacts in reducing FTE and/or contract).
____ (Initials) I understand that, except for reduced year contracts (9-, 10- or 11-month), my biweekly salary will be reduced by the percentage indicated above in each of 26 pay periods during the fiscal year, regardless of when I take the time off. I understand that I will not receive extra compensation if I work additional hours or days and that “days off” will not carry forward to another fiscal year.

____ (Initials) I understand that if I agree to work a reduced year contract, I will not receive any pay while I am off contract. My payroll deductions for health coverage and other benefits will be made during 19 pay periods per year and therefore the biweekly rate will increase.

____ (Initials) I understand that if there is a furlough (requires approval of university president) in my unit, this voluntary reduction time will be subtracted from the required number of furlough days. I will not be required to take more unpaid furlough days than I would have without this voluntary reduction. I understand that this voluntary reduction does not otherwise protect me from furlough, layoff, or other personnel action.

____ (Initials) I understand that unless other changes are made to my employment contract in the meantime, my schedule will revert to my contract in effect prior to the voluntary reduction agreement(s).

____ (Initials) I understand that if approved, my appointment will reflect my voluntary reduction in the employment contract and that approval of any subsequent changes is in the university’s sole discretion.

_________________________________________  ______________  
Employee Signature  
Date  
I approve the reduction in hours and effort as proposed above:

_________________________________________  ______________  
Supervisor Signature  
Date  

UA Human Resources Office  ______________  
Date  

cc: Personnel File
<table>
<thead>
<tr>
<th>ACTION/Applicable to</th>
<th>Option/Action Needed</th>
<th>Impacts to Benefits and Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACT REDUCTION AS ALTERNATIVE TO LAYOFF</td>
<td>Reducing contract length from 12 months to shorter duration, minimum 9 months in fiscal year. Off contract period(s) are leave without pay (with benefits), requires job form to place off- and on-contract.</td>
<td>Benefit and other deductions must be changed to the 19-pay schedule to fully recover plan year goal amounts. ORP does not consider off contract periods for vesting purposes. PERS service credit will be reduced which will extend time needed to vest and reach service thresholds. PERS DB salary credit will be granted for months in active work status; only the months in active work status are used in calculation of high three- or five-years’ salaries. Plan contributions (PERS DC, ORP, Pension, 403b) will be reduced (fewer pay periods for deductions/contributions). Employees in off contract status may not use annual or sick leave. Employees must be prepared for period of no income while in off contract status.</td>
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**Staff (Exempt & Non-exempt)**

| FTE REDUCTION AS ALTERNATIVE TO LAYOFF | Effort is reduced over course of 12 months. Job form required to reduce FTE of 80 hours (e.g., 90%, 80%, 75%) | Benefit deductions stay on 26-pay schedule if employee is 12 months. Schedule of 30 hours per week (.75 FTE) is the minimum to maintain full time service credit with PERS. 20 hours per week (.5 FTE) is the minimum required to maintain benefit eligibility at UA. Pay, sick and annual leave accrual, PERS salary credit and ORP and UA Pension plan contributions are all reduced correspondingly to FTE reduction. |

**Staff (Exempt & Non-exempt)**

| OTHER ISSUES/CONCERNS | Timely job forms to accurately reflect employee assignment and FTE are critical. Workload adjustments should correspond with contract or FTE reductions. | Reduction in FTE (reduced work week) may affect employees in PERS Tiers I, II or III (defined benefit, or PERS DB) who are in their three (Tiers I and II) or five (Tier III) consecutive high years. Reduced contracts might be better for these employees. Vested PERS employees who are within 5 years of retirement should consider the effects of a reduced contract or reduced FTE on their future benefits. Annual and sick leave accruals and retirement contributions to ORP and UA Pension will be reduced accordingly. |