



TITLE: Furlough Policy		POLICY: HR-601-2025
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APPLICABLE TO: This policy applies to all non-represented employees of the City of Lynnwood.

POLICY STATEMENT: Due to unanticipated financial issues necessitating budgetary reductions, the city may at times need to implement mandatory furloughs for certain positions. The Mayor is responsible for administering this policy and retains full discretion over its application.

PURPOSE: This policy provides general guidelines for identifying the impacted positions and the effect of a furlough on compensation and benefits.

DEFINITIONS:

Exempt employee – An employee who is paid on a salaried basis and meets one of the overtime exemptions under applicable law.

Furloughed employee – Any employee who is placed in a temporary status without duties and without pay.

Furlough period – Any day, week, or other specified time period during which a furloughed employee is placed in a temporary status without duties and without pay.

Non-exempt employee – An employee who is paid on an hourly basis and is entitled to overtime under applicable law.

POLICIES:

Applicability

Furlough eligible positions. The city may subject certain positions to a mandatory furlough based upon the needs of the city. Furloughs may be in full workweek or partial workweek increments. Furloughs shall not be taken in partial day increments. For example, an employee shall not work a half day, and furlough the rest of the work day.

Length of furlough. The city retains the discretion to implement city-wide furloughs for a defined period of time for identified positions. Alternatively, the city may allow departments to retain the flexibility of determining the timing and duration of furloughs for employees within that department. This includes implementing a different mandatory furlough schedule for the entire department or staggering delayed mandatory furlough days for furlough-eligible employees. Each department is responsible for establishing methods to ensure furlough days are observed by each furlough-eligible employee.

Pay considerations

Mandatory furloughs are leave without pay. The terms and conditions describing overtime and compensatory time contained in the applicable city policies and/or collective bargaining agreements will continue to apply for time worked. Mandatory furloughs will not count as hours worked toward the overtime threshold.

Overtime or comp time is not permitted for the purpose of making up mandatory furlough time. Making up mandatory furlough days does not achieve the savings expected with the implementation of this initiative.

Employees may not substitute paid leave for mandatory furlough days. However, sick leave that is being used for absences related to a Worker's Compensation injury where the employee is still unable to return to work in a modified duty position will be provided by the city as paid leave for mandatory furlough days, but the employee may be required to observe alternate mandatory furlough day(s) upon return to service.

In those cases where an emergency call-out occurs on a mandatory furlough day or during a mandatory furlough week, employees may be called back to work. Such employees will be compensated in accordance with standard compensation procedures. They may be required to be furloughed at a later pre-determined date.

Employees who are on call or stand-by will be compensated in accordance with policy if they are called back to work on the day of a mandatory furlough.

Benefit Considerations

Service date. An employee's benefits service date will not be changed due to mandatory furlough days.

DRS service credit does not accrue for hours not paid during furlough leave.

Leave benefits. An employee's eligibility to accrue leave benefits will not be affected by the implementation of mandatory furloughs.

Insurance benefits. Insurance benefits will not be affected by the mandatory furloughs if the employee has 20 hours per month in paid status or is utilizing authorized protected leave under FMLA/PFML. The city will continue to pay its portion of the premiums regardless of the furlough.

In the event a benefited employee loses insurance eligibility, they are entitled to continuation of health coverage under COBRA rules.

RESPONSIBILITIES:

Recordkeeping and payroll considerations

Mandatory furlough days should be recorded as leave without pay (LWOP).

For full workweek furloughs. All employees, including FLSA-exempt employees, who are furloughed, are strictly prohibited from working during a furlough. This includes, but is not limited to, checking email, returning telephone calls and performing any work while on furlough. Supervisors or directors must contact their designated HR representative to initiate a PAN for each furloughed employee, specifying the Leave Without Pay (LWOP) leave type for timecard processing.

Non-Exempt Staff:

For partial or full workweek furloughs. All non-exempt employees who are furloughed are strictly prohibited from working during a furlough shift.

Exempt Staff:

Exempt employees may be placed on a partial week or full workweek furlough. If placed on a partial week furlough, exempt employees will be converted to non-exempt during the week in which the furlough occurs. Such employees will be required to track their hours consistent with the requirements of non-exempt employees. During the period when FLSA-exempt employees are converted to non-exempt, they must comply with all recording keeping and wage and hour rules applicable to non-exempt employee (e.g., rest periods and meal periods, leave requests, pre-approval for overtime).