

**DIRECTED LEAVE WITHOUT PAY (DLWOP)  
Employee Questions and Answers  
(For UPW Bargaining Unit 1 Employees  
and Excluded Counterparts Only in the University of Hawaii)**

NOTE: The following questions and answers are specifically intended to briefly address DLWOP related issues that apply only to UPW BU 1 employees and their excluded counterparts, and shall not constitute a contract of employment. The applicable negotiated agreements or executive order and DLWOP implementation plan shall take precedence over any conflicting information in the questions and answers below. This document applies only to employees of the University of Hawaii.

**GENERAL**

**Q1: What is a directed leave without pay?**

A1: A directed leave without pay (DLWOP) is the placement of an employee temporarily and involuntarily in a non-pay and non-duty status by the Employer because of lack of funds.

**Q2: Who does the DLWOP apply to?**

A2: The DLWOP applies to the University's employees who are members of UPW bargaining unit 1 and their excluded counterparts.

**Q3: When will the DLWOP be effective and how many days will employees be placed on DLWOP?**

A3: The DLWOP period will be effective December 1, 2011 through June 30, 2013 for a total of twenty-seven (27) days and the number of days per fiscal year shall be as follows:

- Effective December 1, 2011 through June 30, 2012
  - For full-time employees - 14 days.
- Effective July 1, 2012 through June 30, 2013
  - For full-time employees – 13 days.

For part-time employees -- the number of days they shall be placed on DLWOP will be prorated based on the employee's full-time equivalent (FTE).

**Q4: Can employees choose their DLWOP days?**

A4: No. Chancellors or their designees will determine when employees are to take DLWOP days based on operational needs.

For fiscal year 2011-2012, employees will be scheduled for the number of DLWOP days per month as follows:

- December 2011 up to and including June 2012 will be two (2) DLWOP days per month

For fiscal year 2012-2013, employees will be scheduled for the number of DLWOP days per month as follows:

- July 2012 up to and including May 2013 will be one (1) DLWOP day per month
- June 2013 will be two (2) DLWOP days

**Q5: Can DLWOP be taken in partial day increments?**

A5: No. Full-time employees must take DLWOP in increments of one eight-hour day. Part-time employees will be on a prorated basis.

**Q6: Can an employee be required to work on a scheduled DLWOP day?**

A6: Yes, but the employee shall be paid overtime for the hours worked. The DLWOP day shall not be rescheduled to a later day.

**Q7: Will DLWOP be counted as a break in service?**

A7: No.

**Q8: Will DLWOP days be counted as creditable service?**

A8: Yes, DLWOP days will be creditable for purposes such as seniority, service awards, and reduction-in-force retention points.

**Q9: If an employee is hired after the DLWOP goes into effect, will he/she be subject to the DLWOP?**

A9: Yes.

**Q10: Will the DLWOP affect an employee's status as a full-time employee?**

A10: No, the employee's FTE (Full-Time Equivalent)\* will remain the same.

\*Definition of **Full-Time Equivalent (FTE)**: Based on an 8-hour workday, the FTE is the percent rate that an employee is employed. Basically, 100% FTE means an employee is employed on a full-time basis, 50% FTE means an employee is employed on a half-time basis, and so forth.

**Q11: Can DLWOP hours be taken in advance?**

A11: No.

## **WORK SCHEDULES**

**Q12: How will the DLWOP affect employees working other than a normal eight-hour workday (e.g., 4-day/10-hour alternative work week schedule)?**

A12: Employees who already work other than a normal eight-hour workday (e.g., 4-day/10-hour alternative work week) may use vacation, compensatory time off, or work to make up the difference between the eight-hour DLWOP and the actual hours the employee was scheduled to work.

At the Employee's request, the Employee's work schedule may be changed to reflect an eight (8) hour, five (5) day work week during a week which includes a DLWOP day.

Example: If an employee is scheduled to work ten (10) hours on Friday, and Friday is a DLWOP, the employee is required to work two (2) hours or request two (2) hours of vacation, compensatory time off or leave without pay.

## **SALARY/ PAYROLL ADJUSTMENTS**

**Q13: When will the DLWOP adjustments be reflected in affected employees' paychecks?**

A13: For employees hired before July 1, 1998, adjustments will be automatically made from each paycheck beginning December 20, 2011. For employees hired on/after July 1, 1998, adjustments will be automatically made from each paycheck beginning January 5, 2012.

**Q14: For employees on temporary assignment (TA), will they still get TA pay on a DLWOP day?**

A14: No.

**Q15: Will the DLWOP impact the calculation of differentials and premium pay?**

A15: No, the calculation of differentials and premium pay are not affected by DLWOP.

Employees are not to include DLWOP days when submitting/making claims for differentials or premium pay that are applicable on a day-to-day basis.

*Examples:*

- |                                   |                   |
|-----------------------------------|-------------------|
| 1) Working condition differential | 4) Meal Allowance |
| 2) Night differential             |                   |
| 3) Hazard pay differential        |                   |

**Q16: Will the DLWOP impact employees' automatic payroll deductions (e.g. EUTF, Parking, Deferred Compensation, Aloha United Way, etc.)?**

A16: It may. Therefore, it is recommended that employees review their automatic payroll deductions to ensure that their adjusted income will be sufficient to cover all of their deductions.

**Q17: How will the DLWOP affect child support payments being deducted from an employee's paycheck?**

A17: The amount deducted for child support is set by court or administrative order. If your paycheck does not cover the amount that is to be deducted to satisfy your child support obligations, the portion that is not deducted will be considered a delinquency and payment will need to be sent directly to the Child Support Enforcement Agency at: P.O. Box 1860, Honolulu, Hawaii 96805-1860. If there are any questions, employees may call 692-8265. Neighbor island employees may call: Maui – 243-5241; Kauai – 241-7112; Hawaii – 933-0644; Molokai and Lanai, toll free, 1-888-317-9081.

## **LEAVES**

**Q18: Will DLWOP affect the number of hours of vacation or sick leave earned for full-time and part-time employees?**

A18: No.

**Q19: How will the DLWOP impact an employee on vacation or sick leave for a full calendar month?**

A19: The employee's vacation/sick leave will be adjusted for the DLWOP days and the vacation/sick leave will be credited to his/her leave balance for future use.

**Q20: Can an employee use paid leave (e.g., vacation, sick, compensatory time off) in lieu of DLWOP?**

A20: No.

**Q21: Will an employee who is suspended for disciplinary reasons be subject to DLWOP?**

A21: Yes, for example if an employee is suspended for five (5) days, the suspension period shall not be lessened by a DLWOP day.

**Q22: How will the DLWOP impact an employee out on family leave for a full calendar month?**

A22: The day(s) the Employee is out on DLWOP will not be counted towards their family leave entitlement. If the Employee is substituting paid sick leave or vacation leave for the period on family leave, he/she will not be paid for the DLWOP days (i.e. the Employee's leave request should only include scheduled work days, not the DLWOP days).

**Q23: Will the DLWOP affect the number of donated leave days an employee may receive under the UH Leave Sharing Program for serious injuries or illnesses?**

A23: No, provided the number of DLWOP days required for the month can still be applied.

Example: An employee requests shared leave for the entire month of February 2012 (21 workdays). The department decides to grant such leave for the entire period; however, two (2) DWLOP days must still be applied for the month. Therefore, the employee shall receive a total of 18 shared leave days, excluding the holiday.

**Q24: Will DLWOP affect the method for calculating lump sum vacation payout when an employee retires or otherwise separates from service?**

A24: No. The employee's lump sum vacation payout will be calculated in the normal manner, using the employee's base pay (not the DLWOP adjusted pay). This will also apply to employees hired before July 1, 1997.

**Q25: Will an employee who is on military leave be subject to DLWOP?**

A25: Yes.

### **EMPLOYEES' RETIREMENT SYSTEM (ERS)**

**Q26: Will a DLWOP affect an employee's retirement service credits?**

A26: No, so long as the employee was on paid status for 15 or more calendar days during the month. (Note: If placed on DLWOP in the month of February, the employee will need to have been on paid status for 14 or more calendar days during the month.)

**Q27: Will a DLWOP affect the calculation of an employee's retirement pension?**

A27: Yes. Retirement pension is based on actual pay. "Average final compensation" for service and disability retirement benefit purposes is based on the employee's 3 or 5 highest paid years of creditable service, in accordance with the ERS law and rules. Any DLWOP may lower the "average final compensation" level.

**Q28: Will employees in the Hybrid Plan or Contributory Plan be allowed to temporarily cancel their contributions during the DLWOP period?**

A28: No.

For additional information on your retirement benefits, visit the ERS website at: <http://www4.state.hi.us/ers/Publications.htm>, or you may call them at (808) 586-1735.

**Q29: Will an employee's "ordinary death" benefits be affected if he/she dies while on DLWOP?**

A29: No. Death benefits are payable to all Employees' Retirement System members, including those on DLWOP, as long as the member died while still employed and meets (for certain plans) the minimum years of service eligibility requirements.

**Q30: Will the employee's contributions to the Employees' Retirement System for the Contributory or Hybrid Plan be based on the employee's base pay or adjusted gross pay?**

A30: Employee's contributions will be based on the adjusted gross pay.

**Q31: Due to the DLWOP, can employees "borrow" against contributions they have made to their Retirement Account with ERS?**

A31: No.

**DEFERRED COMPENSATION PLAN**

**Q32: Will an employee's 403(b) Tax Sheltered Annuity and/or 457 Island Savings Plan salary deferrals be affected by the DLWOP program?**

A32: It may. The IRS maximum contribution limits are not affected by the temporary salary reduction. Employees may continue to contribute up to the maximum limit of

- \$16,500\* (employees under age 50) or 100% of salary, whichever is less, or
- \$22,000\*\* (employees age 50 and up) or 100% of salary, whichever is less.

\* Effective January 1, 2012, the maximum limit increases to \$17,000.

\*\* Effective January 1, 2012, the maximum limit increases to \$22,500.

Therefore, if an employee contributes a fixed dollar amount per pay date, he/she will continue to have the same amount deferred from their salary. However, an employee who contributes a percentage of their salary will experience a small decrease in their annual deferral amount.

To make a change to the contribution amount:

- 403(b) participants should complete a UH Salary Reduction Agreement available at <http://www.nbsbenefits.com/uh403n/forms/uhsraform.pdf> and FAX or mail it to National Benefit Services, LLC, (800) 597-8206, 8523 S. Redwood Road, West Jordan, UT 84088 by the advertised submission dates. If assistance is required, employees should consult with their financial advisor or the National Benefit Services at

- (800)274-0503, ext. 240 or via email to [uh403b@nbsbenefits.com](mailto:uh403b@nbsbenefits.com).  
457 Island Savings Plan participants may choose to make changes using their secure log-in at <https://islandsavings.ingplans.com> or by calling 1-888-712-5642.

## **HEALTH BENEFITS**

### **Q33: Will an employee's health benefits continue while on a DLWOP?**

A33: Yes, as long as the necessary premium payments are made on a timely basis. Employees who do not have sufficient monthly earnings to pay for their insurance premiums will be sent a Notice of Premium shortage by the Employer-Union Health Benefits Trust Fund (EUTF).

### **Q34: If an eligible part-time employee is currently receiving health benefits, will the DLWOP affect the employee and cause him/her to lose health benefits coverage?**

A34: No. The employee will not lose health benefits coverage as a result of the DLWOP because the University will not change the employee's FTE (Full-Time Equivalent) designation which is one of the factors used to determine health benefits eligibility. As stated in Q&A #33 above, health benefits coverage will continue as long as the necessary premium payments are made on a timely basis.

## **WORKERS' COMPENSATION**

### **Q35: Will an employee's supplemental pay benefits (i.e. sick/vacation pay) while on workers' compensation (approximately 33-1/3% of average weekly wage), be subject to the DLWOP pay adjustments?**

A35: No.

## **PREMIUM CONVERSION PLAN (PCP)\***

### **Q36: Will employees enrolled in the PCP be allowed to change or cancel their PCP enrollment in the middle of a PCP plan year due to the DLWOP?**

A36: No, the DLWOP is not an IRS-qualifying change in status event that would allow employees to change/cancel their PCP enrollment and payroll deductions in the middle of the plan year.

However, employees will be able to change/cancel their PCP enrollment during a scheduled open enrollment period.

\*Note: The PCP is a voluntary benefit program that provides an opportunity for most health plan participants to deduct their health plan premiums on a pre-tax basis.

### **ISLAND FLEX FLEXIBLE SPENDING ACCOUNTS PLAN**

**Q38: If an employee participating in the Island Flex Flexible Spending Accounts Plan doesn't have enough in his/her paycheck to cover their deductions, what should they do?**

A38: Call Comprehensive Financial Planning, Inc., the State's Third-Party Administrator of the Plan, right away to make special arrangements. Oahu employees should call 596-7006. Neighbor island employees may call toll free at 1-877-550-5552. They may also be reached by e-mail: [cfpii001@hawaii.rr.com](mailto:cfpii001@hawaii.rr.com).

**Q39: Will employees enrolled in the Island Flex Flexible Spending Accounts Plan be allowed to cancel or change their enrollment during the DLWOP period?**

A39: No, the DLWOP is not an IRS-qualifying change in status event that would allow an employee to change/cancel their enrollment and payroll deductions.

### **TEMPORARY DISABILITY INSURANCE**

**Q40: Will an employee's Temporary Disability Benefit (TDB) be subject to DLWOP adjustments?**

A40: Yes. The TDB benefit that an employee may receive shall be reduced to account for the DLWOP days. (HRS §392-21(b))

### **PARKING**

**Q41: What will happen to an employee's UH parking if he/she does not have enough in their paycheck to cover for parking deductions?**

A41: The employee's parking assignment will continue, provided the employee makes out-of-pocket payments to the UH Parking Office on a timely basis. Arrangements may be made by calling 956-8899 or emailing [parking@hawaii.edu](mailto:parking@hawaii.edu).

### **PRE-TAX TRANSPORTATION PROGRAM**

**(i.e., Pre-Tax Bus Passes, Vanpool Hawaii, Handi-Van)**

**Q42: Can an employee cancel his/her enrollment in the pre-tax transportation program due to the DLWOP?**

A42: Yes, as long as the cancellation form is submitted to the Department Coordinator no less than 35 days prior to the month for which the cancellation is to be effective.