



Defense Civilian Personnel Advisory Service

NONAPPROPRIATED FUND (NAF) FURLOUGH

Frequently Asked Questions (FAQs)
Updated September 2023

TABLE OF CONTENTS

1.0	FURLOUGH - GENERAL ADMINISTRATION	2
2.0	WORK STATUS AND NOTIFICATION	2
3.0	PAY	2
4.0	LEAVE	3
5.0	HEALTH BENEFITS	3
6.0	GROUP LIFE INSURANCE	4
7.0	RETIREMENT	4
8.0	WORKERS' COMPENSATION	4
9.0	UNEMPLOYMENT INSURANCE.....	5
10.0	LONG TERM CARE (LTC) INSURANCE	5
11.0	FLEXIBLE SPENDING ACCOUNT (FSA).....	5

1.0 FURLOUGH - GENERAL ADMINISTRATION

1. What is a furlough and when are furloughs of NAF employees necessary?

A furlough is the placing of a NAF regular employee in a temporary non-duty, non-pay status. A furlough of NAF employees may be necessary to absorb reductions in resources necessitated by downsizing, lack of work, or other budget situations. In non-emergency situations, a furlough is typically a planned event in that the Department of Defense (DoD) Component has sufficient time to reduce spending and give adequate notice to employees of its specific furlough plan and how many furlough days will be required. A furlough may also occur in emergency situations requiring the curtailment, suspension, or shutdown of operations.

2. How will a NAF employee know if he or she is in a position that is subject to furlough if there is a lapse in appropriations?

The employee's supervisor will inform the employee if his or her position could be affected by the government shutdown.

The below FAQs only apply to those NAF employees subject to furlough if there is a government shutdown due to a lapse in appropriations.

2.0 WORK STATUS AND NOTIFICATION

1. If a NAF employee is furloughed, how will he or she be notified?

NAF employees will be informed through their supervisory chain if they are subject to furlough because of a government shutdown. Due to the emergency nature of a government shutdown, requiring immediate curtailment of DoD activities, advance notification will not be possible.

2. May a NAF employee volunteer to do his or her job on a non-pay basis while furloughed due to the government shutdown?

No.

3. How will a NAF employee know when to come back to work?

Employees should listen to public broadcasts and monitor the Office of Personnel Management (OPM) website (www.opm.gov) to keep abreast of the latest news regarding the budgetary status of the United States Government.

3.0 PAY

1. Will NAF employees who are furloughed due to the lapse in appropriations get paid for the time they are not at work?

Furloughed employees may be authorized to receive pay for the furlough period.

2. Will NAF employees designated as excepted who work during the furlough be paid?

Yes. Agencies will incur obligations to pay for services performed by excepted employees during a lapse in appropriations, and those employees will be paid after Congress passes and the President signs a new appropriation or continuing resolution.

3. Will NAF employees designated as excepted be permitted to earn premium pay (e.g., overtime pay, Sunday premium pay, night differential) during the furlough period?

Yes. Excepted employees who meet the conditions for overtime pay, Sunday premium pay, night differential and other premium payments will be entitled to payment in accordance with applicable rules, subject to any relevant payment limitations. Premium pay may be earned but cannot be paid until Congress passes and the President signs a new appropriation or continuing resolution.

4. May a NAF employee designated as excepted employee be permitted to earn compensatory time off during the shutdown period?

Yes. With management approval, NAF employees designated as excepted employees may earn compensatory time off in accordance with the NAF Employer provisions regarding compensatory time off. NAF employees will not be permitted to use earned compensatory time off during the shutdown period.

4.0 LEAVE

1. What happens if a furloughed employee is scheduled to be on annual or sick leave during the furlough period?

Upon furlough, all scheduled leave is canceled (annual leave, sick leave, or other). An employee who is furloughed may not be placed on annual or sick leave.

2. Does a NAF employee continue to accrue annual and sick leave while out on furlough?

No. NAF employees do not accrue annual or sick leave while in a non-pay status.

3. May NAF employees who are excepted from furlough be granted paid leave?

No. If an excepted employee is unavailable to be at work and perform the duties determined by the employing agency to be allowable activities, the employee must be furloughed.

4. What happens to employees on leave-without-pay (LWOP) under Family Medical Leave Act (FMLA)?

Furloughed employees on LWOP under FMLA continue to be charged LWOP for the period of family medical leave. However, if the employee was scheduled to take paid leave under the FMLA instead of LWOP, the paid leave is cancelled and the employee is placed on furlough. If the paid leave is cancelled, the period of absence may not be used to reduce the 12-week entitlement to FMLA leave.

5.0 HEALTH BENEFITS

May a NAF employee who is furloughed continue to participate in the NAF Health Benefits Program (HBP)?

Yes. Benefits for medical and dental coverage may be continued up to twelve months, provided the employee pays the required employee share of the premium. NAF employees should contact the servicing NAF Human Resource Office for information and instructions on premium payment procedures.

6.0 GROUP LIFE INSURANCE

May a NAF employee who is furloughed continue participation in their NAF Employer's NAF Group Life insurance plan?

Yes. Furloughed employees may elect to continue paying life insurance premiums. Group life insurance coverage varies among the DoD Components depending on the provisions of the particular NAF employer's plan. NAF employees should contact the servicing NAF Human Resource Office for information on Group Life insurance.

7.0 RETIREMENT

1. What happens to an employee's NAF retirement and 401(k) plan during a furlough?

Retirement coverage and provisions vary depending on the NAF employer. Since the various NAF Employers each offer their own retirement programs, employees in a non-pay status should check with their servicing NAF HRO (or NAF Component) regarding creditable service and deposit contributions.

2. What happens to a NAF employee's 401(k) loan if he or she is furloughed?

The employee is responsible for making loan payments while in a non-pay status in order for the loan not to default. Loan program provisions must meet Internal Revenue Service requirements and vary by sponsoring NAF Employer. Questions about individual NAF 401(k) benefits should be addressed to the appropriate NAF HRO or respective NAF 401(k) plan administrator.

3. What happens to a NAF employee's Civil Service Retirement System (CSRS)/Federal Employees Retirement System (FERS) retirement plan (elected following a move from civil service to NAF) while the employee is on furlough?

An employee who made a decision to remain enrolled in CSRS or FERS and Thrift Savings Plan is subject to the applicable plan's rules regarding deductions during periods in a non-pay status. Employees should contact their local NAF HRO for information. Employees may also refer to the OPM website for specific information about the effect of LWOP on CSRS and FERS retirement benefits: <http://www.opm.gov/policy-data-oversight/pay-leave/leave-administration/fact-sheets/effect-of-extended-leave-without-pay-lwop-or-other-nonpay-status-on-federal-benefits-and-programs/>.

8.0 WORKERS' COMPENSATION

What happens to NAF employees who are receiving benefits under Longshore and Harbor Workers' Compensation Act (LHWCA) during a furlough?

Employees who are receiving benefits under workers' compensation must be notified in writing if their position is identified as being furloughed. Workers' compensation benefits continue for eligible

employees; however, there is no leave supplement available during a furlough. NAF employees may contact their DoD Component's workers' compensation office for assistance.

9.0 UNEMPLOYMENT INSURANCE

Are NAF employees who are furloughed eligible to apply for unemployment compensation?

Maybe. Employees who are placed in a non-pay status may be eligible to receive unemployment compensation. Affected employees should be provided with a Standard Form 8, "Notice to Federal Employee about Unemployment Insurance" and advised to contact the State Public Employment Service Office at: <https://www.careeronestop.org/LocalHelp/UnemploymentBenefits/find-unemployment-benefits.aspx>. For further information, see the Department of Labor website "Unemployment Compensation for Federal Employees" at: <https://oui.doleta.gov/unemploy/unemcomp.asp>.

10.0 LONG TERM CARE (LTC) INSURANCE

What happens to a NAF employee's LTC insurance coverage during a furlough?

Furloughed employees may elect to continue paying LTC insurance premiums. LTC insurance coverage varies among the DoD Components depending on the provisions of the particular NAF employer's plan. NAF employees should contact the servicing NAF HRO for information.

11.0 FLEXIBLE SPENDING ACCOUNT (FSA)

1. What happens to a NAF employee's FSA during a furlough?

FSA provisions vary among the DoD Components depending on the provisions of the particular NAF employer's plan. NAF employees should contact the servicing NAF HRO for information.