

# Voluntary Employee Separation Program (VESP) & Voluntary Furloughs

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# Cost Reduction Measures

**Due to an expected decline in revenues and challenging economic conditions, Financial Services is proposing options to reduce costs while maintaining essential services.**

- Voluntary Employee Separation Program (VESP)
- Voluntary Furloughs

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# Voluntary Employee Separation Program (VESP)



# Voluntary Employee Separation Program (VESP)

- VESP will offer employees payment to voluntarily separate based on years of service
- Allows employees to voluntarily leave employment by resignation or retirement
  - Employees have the right to participate or not
  - District will not anticipate any given employee's participation
- Available to all eligible employees
- Eligible District employees:
  - Must be currently employed for a minimum of five years with the District and vested in PERS
  - Must be serving in a permanent position
    - Current part-time employees, who are vested in PERS, are eligible

## VESP (Cont.)

- VESP Payment
  - Lump Sum Payment:
    - One full week of compensation based on full-time equivalent status for each year of service
    - Employee can elect to have the District purchase:
      - PERS service credit on their behalf, up to the lump sum payment or less, per PERS policy
      - Up to 18 months of COBRA health insurance with Teamsters 14
- Employees are not eligible for rehire for 36 months from date of separation

## VESP *(Cont.)*

- Application Process
  - Accepted from June 5, 2020 to July 15, 2020
  - Must submit application to the HR Department and provide a copy to their respective department head
  - If accepted, must separate by September 4, 2020
    - This date can be extended for applicant of critical positions at the discretion of the Executive Director
- Position must be vacant until the cost of the position is recovered
  - Position can be filled by employees from other lower level vacant positions at a future date
- Reduction in staffing levels and higher salaries results in permanent savings

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# Voluntary Furloughs





# Voluntary Furloughs

- The Executive Director may allow unpaid voluntary furlough leave in 30 day increments, which may be extended depending on operational needs
  - The employee will be notified at least one week in advance whether to return to work or that their furlough has been extended
- Employees are not required to take voluntary furlough hours
- Voluntary furlough hours are not PERS-compensable. Employees will not receive PERS service credit during the period of voluntary furlough
- Voluntary furlough requests must be approved by the employee's department head
- Employees will not receive salaried, hourly compensations, or special pays during periods of voluntary furloughs



# Voluntary Furloughs

- A voluntary furlough shall have no effect on the following:
  - Performance evaluations, merit increases, or annual pay increases
  - Longevity, anniversary, or seniority dates
  - Vacation and sick leave accruals during the voluntary furlough period
  - Holiday eligibility
- A voluntary furlough will not constitute a break in service
- At the expiration of the voluntary furlough, the employee will return to the position held prior to the voluntary furlough
- The District will pay the employer portion of all insurance contributions during the voluntary furlough period

# Voluntary Furloughs

- Employees may request the use of voluntary furlough in conjunction with the Family Medical Leave Act
- The District will continue paying the following benefits:
  - Medical, vision, dental insurance
  - Long-term care
  - Voluntary employee life insurance
  - Voluntary Spouse life insurance
  - Voluntary dependent life insurance
  - District life insurance
  - District dependent life insurance
  - District employee accidental death & dismemberment insurance
  - AFLAC insurance products
  - Bonus hours (paid on the furlough effective date)

# Voluntary Furloughs

- The District will not pay the below listed employee benefits (where applicable):
  - Contributions to PERS and its affect on years of service
  - Flexible spending account
  - Accrual of vacation, sick, and longevity
  - Seniority accrual

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*Questions?*