




**UNIVERSITY OF MARYLAND EASTERN SHORE
OFFICE OF THE PRESIDENT**

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Internal Memorandum

TO: The Campus Community

FROM: 
Thelma B. Thompson, Ph.D.
President

SUBJECT: UMES Salary Reduction/Furlough Plan and Procedures

DATE: September 22, 2009

As many are aware, the fiscal condition of the State of Maryland is very challenging. In addition to reductions from last year, the University has continued to receive reductions to its FY '10 budget. In addition to various cost-saving measures we have taken to address this situation, we must again implement a salary reduction plan for all employees, as described below.

Phase I: The University will be closed from December 21 – 24 (December 25 is an observed holiday) and Spring Break Week, March 15 – 19, 2010 (March 15 and 16 are university holidays), during which time the entire campus will be subject to the following:

1. Employees who earn \$40,000 or less will be granted three administrative leave days on December 21 – 23. Employees may elect to use annual or personal leave days to cover December 24 and March 17 – 19 the dates during which the university will be closed. Employees in this category will be required to undergo a salary reduction equivalent to three days of pay to commence on the second paycheck in October 2009, and will be spread across 19 available paychecks through the end of the fiscal year (June 30, 2010). **Effective July 1, 2010, all salaries will revert back to their pre-salary reduction levels provided there are no State mandates otherwise.**

2. Employees who earn between \$40,001 and \$60,000 will be granted five administrative leave days on December 21 – 24, 2009 and March 17, 2010. Employees may elect to use annual or personal leave days to cover March 18 and 19 - the dates during which the university will be closed. Employees in this category are required to undergo a salary reduction equivalent to five days of pay to commence on the second pay date in October 2009, and will be spread across 19 available paychecks through the end of the fiscal year (June 30, 2010). **Effective July 1, 2010, all salaries will revert back to their pre-salary reduction levels provided there are no State mandates otherwise.**
3. Employees who earn between \$60,001 and \$80,000 will be granted seven administrative leave days on December 21 – 24 and March 17-19. Employees in this category will be required to undergo a salary reduction equivalent to seven days of pay to commence on the second pay date in October 2009, and will be spread across 19 available paychecks through the end of the fiscal year (June 30, 2010). **Effective July 1, 2010, all salaries will revert back to their pre-salary reduction levels provided there are no State mandates otherwise.**
4. Employees who earn between \$80,001 and \$100,000 will be granted nine administrative leave days on December 21 – 24 and March 17 – 19 and two additional administrative leave days to be scheduled by the employee between October 1, 2009 and May 22, 2010. Faculty with teaching duties must schedule their 2 additional days between January 4, 2010 and January 18, 2010. Employees in this category will be required to undergo a salary reduction equivalent to nine days of pay to commence on the second pay date in October 2009, and will be spread across 19 available paychecks through the end of the fiscal year (June 30, 2010). **Effective July 1, 2010, all salaries will revert back to their pre-salary reduction levels provided there are no State mandates otherwise.**
5. Employees who earn \$100,001 or more will be granted 10 administrative leave days to cover December 21-24, March 17-19, and three administrative leave days to be scheduled between October 1, 2009 and May 22, 2010. Faculty with teaching duties will schedule their three days during January 4, 2010 and January 18, 2010. Employees in this category will be required to undergo a salary reduction equivalent to 10 days of pay to commence on the second pay date in October 2009, and will be spread across 19 available paychecks through the end of the fiscal year (June 30, 2010). **Effective July 1, 2010, all salaries will revert back to their pre-salary reduction levels provided there are no State mandates otherwise.**

A chart of sample of salary reductions are illustrated on page 4.

Important Guidelines

An employee who is on a “*salary reduction day*” is not required to work on that day. During the week in which a salary deduction day occurs, an employee should not work more than 32 hours that week. Employees may not take any form of paid leave in lieu of a required salary reduction day. Any need for deviation from these guidelines must be authorized in advance by the Office of Human Resources. Special arrangements will be made for essential employees and emergency conditions.

All employees required to take salary reduction days other than designated closure dates must select their salary reduction day by **January 4, 2010** using the attached Salary Reduction Form. This form should be signed by the immediate supervisor and forwarded to the Office of Human Resources. Employees should enter “**UMES Salary Reduction**” on their timesheets from the drop down menu for any day in which administrative leave has been granted. Employees who do not have sufficient leave to cover the days in which administrative leave is **not** granted, will have their timesheet coded by their supervisor as “leave without pay”. Employees may not use sick leave to cover these dates.

This Plan excludes Adjunct Faculty, Graduate Assistants, Contingent 1 employees and employees on an H1-B Visa.

We thank you for your commitment to the University of Maryland Eastern Shore. We know that the salary reduction plan will be a hardship on you and your families and we appreciate your willingness to make that sacrifice. Please feel free to contact Dr. Ronnie E. Holden, Vice President for Administrative Affairs or Ms. Marie Billie, Director of Human Resources, with questions or concerns.

Sample Salary Calculations
12 Month Employees
 (Excludes 9 Month Faculty Paid over 12 Months)

Annual Salary	Bi-Weekly Before Tax Rate	Daily Rate (Bi-Weekly Rate Divided by 10)	No. of Days Salary Reduction	Total Amount of Reduction	Bi-Weekly Reduction for 20 Pay Periods	Adjusted Before Tax Bi-Weekly Salary
21,188	812.69	81.27	3	243.81	12.19	800.50
30,000	1150.68	115.07	3	345.21	17.26	1133.42
40,001	1534.25	153.43	5	767.15	38.36	1495.89
50,000	1917.81	191.78	5	958.90	47.95	1869.86
60,001	2301.41	230.14	7	1610.98	80.55	2220.86
80,001	3068.49	306.85	9	2761.65	138.08	2930.41
100,001	3835.65	383.57	10	3835.70	191.79	3643.86

Sample Salary Calculations
9 Month Faculty Paid Over 12 Months
 (Excludes 12 Month Faculty & Staff)

Annual Salary	Bi-Weekly Before Tax Rate 9 over 12 26 pays	Bi-Weekly Before Tax Rate 9 month over 9 month 22 pays	Daily Rate of 9 Over 9 (Bi-Weekly Rate Divided by 10)	No. of Days Salary Reduction (Random Samples)	Total Amount of Reduction	Bi-Weekly Reduction for 20 Pay Periods	Adjusted Before Tax Bi-Weekly Salary
35,000	1346.15	1590.91	159.09	3	477.27	23.86	13.22.29
40,001	1538.46	1818.18	181.82	5	909.10	45.46	1493.00
60,001	2307.73	2727.32	272.73	7	1909.11	95.46	2212.27
70,000	2692.31	3181.82	318.18	7	2227.26	111.36	2580.95
80,001	3076.96	3636.41	363.64	9	3272.76	163.64	2913.32
100,001	3846.19	4545.50	454.55	10	4545.50	227.28	3618.91

Designation of Salary Reduction/Administrative Leave Days
(For Employees Earning \$80,000 per year or more)

Name: _____

Title: _____

Department: _____

Salary Reduction Day 1: _____
Date

Salary Reduction Day 2: _____
Date

Salary Reduction Day 3: _____
Date

Approval:

Immediate Supervisor

Date

Copy to Human Resources due by **January 4, 2010**.