Federal Furlough –
Frequently Asked Questions & Answers for Employees

The following guidance is offered to state agency employees who are furloughed or who have their hours reduced because their agency does not have adequate funds to support their position during the federal funding freeze or shutdown. These FAQs are intended to provide general information about a furlough. Please contact your agency's HR Office with more specific questions.

1. **What is furlough and how does it impact my employment?**
   If funds are not available through an appropriations law or continuing resolution (government shutdown), or due to a federal funding freeze, a furlough occurs. A furlough is the placement of an employee in a temporary non-duty, non-pay status because of lack of work or funds, or other non-disciplinary reasons. A furlough may impact some state employees when their agency no longer has the funding necessary to support their positions. While an employee is on furlough, the employee is on leave without pay.

2. **I know that some or all of my compensation comes from federal funds. Will I be furloughed?**
   Some employees may be fully furloughed, while other employees have their pay and regular work schedule temporarily reduced based on the proportion of their compensation that comes from federal funds. Please contact your agency's HR Office with more specific questions.

3. **How will I be notified if my position is impacted by a federal government shutdown or federal funding freeze?**
   Anyone who is furloughed or has a work schedule reduction will receive verbal or written notice from their supervisor or agency HR staff. If the initial notice is verbal, your agency will follow up with a written notice as soon as possible.

4. **How long will the furlough last?**
   An end date cannot be determined until federal funding is restored.

5. **Can furloughed employees take other jobs while on furlough?**
   Yes, but because the federal furlough may end at any time, the state's Dual Employment and Secondary Employment policies continue to apply. Before engaging in outside employment, contact your supervisor to ensure compliance with these policies and obtain agency approval. In some cases, when a furlough is expected to be longer in duration, an agency may instruct employees that the Dual Employment and Secondary Employment policies are waived, and there is no need to contact the supervisor before obtaining alternate employment.

6. **Will furlough employees continue to be covered under the State Health Plan?**
   The State Health Plan premium is paid one month in advance; for example, the September payroll includes the cost of coverage for the month of October. If the furlough continues beyond the end of that month, employees should contact their agency HR Office for more information about paying premiums.

7. **What happens to an employee's coverage under the NCFlex insurance programs if they are furloughed?**
   In most cases, the employee's NCFlex insurance programs' coverage will terminate effective the end of the month of their last paycheck, unless the employee continues their NCFlex coverage by paying the vendors directly. The exception is if an employee is furloughed early in the month and their paycheck is insufficient to cover NCFlex premiums. Refer to page 40 of the Enrollment Guide at this link -- https://oshr.nc.gov/ncflex-2025-enrollment-guide/open. Employees are encouraged to contact their HR Office for additional assistance. NCFlex continues to work with vendors, and NCFlex will reach out to agencies if there is an update to this answer.

8. **Are employees entitled to unemployment compensation while on furlough?**
   In the event of an extended furlough, employees may become eligible for unemployment compensation. For more information about unemployment in North Carolina or to file a claim online, visit the Division of Employment Security (DES) website or call the DES Customer Call Center at 888-737-0259 between 8 a.m. and 5 p.m. Monday through Friday.

9. **Does the State Employees Credit Union (SECU) provide any services to assist with financial hardships resulting from the furlough?**
   Yes. The SECU may be able to help some employees who are furloughed. Employees should call 888-732-8562 or contact their local SECU branch for assistance.

10. **Are employees who have been furloughed eligible for Employee Assistance Program (EAP) services through McLaughlin-Young Group?**
    Yes. EAP counselors will be available to help an employee assess their situation and plan for dealing with challenges associated with temporary job loss. Furloughed employees may access the NC EAP provided by McLaughlin-Young Group, 24 hours a day, seven days a week, by calling 1-888-298-3907 or 704-717-5295, or visit https://www.mygroup.com/. There is no cost to the employee or the employee's immediate household family members.