

Clarifying the Terms Nonexempt/Furloughed, Exempt, and Excepted

OPM Shutdown Designations for Federal Employees During a Lapse in Appropriations

- **Nonexempt-Furloughed (do not work, pay delayed):**
Employees whose positions are funded by annual appropriations that have lapsed. They do not work during a shutdown. They are furloughed because the Antideficiency Act prohibits federal spending or obligations before or without congressional approval. Furloughed employees receive backpay once funding resumes.
- **Excepted (continue working, pay delayed):**
Employees whose positions are funded by annual appropriations that have lapsed, but whose duties are legally required to continue because they are excluded (excepted) under the Antideficiency Act. These duties typically involve protecting life or property or performing constitutionally authorized functions. Excepted employees continue to work without pay and receive backpay once funding resumes.
- **Exempt (continue working, receive pay):**
Employees whose pay and work is funded outside of annual appropriations (*exempt*) and therefore are not affected by a lapse in appropriations (shutdown). They continue working and are paid as usual. Examples include operations funded by revolving or working capital funds, multi-year appropriations, or pre-obligated contracts

Note: OPM no longer uses the terms “*essential*” and “*nonessential*.”

Other Federal Usage of Similar Terms

- **Exempt / Nonexempt (FLSA):**
Refers to overtime eligibility, not shutdown status. *Exempt* employees are not eligible for overtime pay; *nonexempt* employees are.
- **Excepted Service (Civil Service Category):**
Refers to positions outside the competitive service (e.g., Schedules A–E, certain intelligence or attorney positions, etc.). Whether a position is *competitive* or *excepted* has no bearing on whether it is furloughed, excepted, or exempt during a shutdown.