



**Ohio Department of
Administrative Services**
HUMAN RESOURCES DIVISION
30 EAST BROAD STREET
COLUMBUS, OHIO 43266-0405

George V. Voinovich
Governor

Sandra A. Drabik
Director

June 30, 1997

Payroll Letter 722

To: Payroll Officers, Personnel Officers, Labor Relations Officers and Fiscal Officers of all Departments, Institutions, Boards and Commissions

From: Robert L. Cruse, State Payroll Administrator

Subject: Implementation of Changes in Wages and Benefits for Exempt Employees

The new budget bill includes changes in wages and benefits for full-time and part-time employees exempt from collective bargaining. The effective date of these changes for bi-weekly delayed payrolls is the pay period which includes July 1, 1997. This letter outlines changes that will be effective pay period ending July 5, 1997 for bi-weekly delayed payrolls. There are additional changes that will be effective at a later date. A payroll letter outlining the additional changes will be issued prior to implementation.

- A) SICK LEAVE OCCASION METHOD** - will be eliminated. This includes all data relating to sick leave occasions in the Master file, Payroll Disbursements Journal and the Payroll Screens on the computer terminals. At this time we have placed zeros on the employee's earnings statement.
- B) CALCULATION OF PAYMENT FOR SICK LEAVE USED** - any sick leave used from June 22, 1997 through November 22, 1997 will be accumulated in a new field, Benefit year-to-date Sick Leave Usage. Throughout the benefit year as an employee uses sick leave, the first 40 hours used will be paid at the employee's total hourly rate of pay. The second 40 hours of usage will be paid at 70% of the employee's total hourly rate of pay and any additional usage will be paid at the employee's total hourly rate of pay. Hours used to supplement disability, workers' compensation and/or adoption/child birth leave will always be paid at the employee's total hourly rate of pay and will be added to the Benefit year-to-date Sick Leave Usage. After the last pay period in November each year (the end of the Benefit Year), the Benefit year-to-date Sick Leave Usage field will be reset with zeros.

C) CALCULATION OF OVERTIME AND/OR COMP TIME ACCRUAL FOR EMPLOYEES ELIGIBLE FOR OVERTIME - One of the changes provides that the use of sick leave will not be considered as time in active pay status for the payment of overtime and/or the accrual of compensatory time. Please note that this is the only modification of the definition of active pay status. **Employees still accrue all forms of leave when using sick leave.**

Each work week in a pay period begins on Sunday and runs through Saturday. In any week in which an employee uses sick leave, the employee must work a number of hours corresponding to the amount of sick leave used to balance the total hours in active pay status to 40 hours. Once an employee reaches 40 hours in active pay status, hours worked in excess of 40 continue to be coded as overtime. If the employee does not work sufficient hours to reach 40 hours in active pay status, actual hours worked in the week over 40 will be paid at straight time, rather than overtime.

Examples:

- 1) An employee works Monday, Tuesday and Wednesday. Thursday the employee uses eight hours of sick leave. Friday the employee uses eight hours of vacation. Saturday the employee works eight hours. This employee will be paid for 48 hours, but only 40 hours is in active pay status. The additional eight hours worked is paid at straight time.
- 2) An employee works Monday through Thursday and takes eight hours of vacation on Friday. The employee works eight hours on Saturday. The employee will be paid for 48 hours, all of which is in active pay status. Accordingly, the employee earned eight hours at the overtime rate, or eight hours of compensatory time accrued.
- 3) An employee's days off are Wednesday and Thursday. The employee works 8 hours each day on Friday, Saturday and Sunday. The employee works 16 hours on Monday and uses eight hours of sick leave on Tuesday. The employee will be paid for 48 hours, but only 40 hours is in active pay status. The additional eight hours worked is paid at straight time.

To post straight time please use the following code:

- PLSS - to pay hours at straight time

If posting to the computer terminal, type PLSS, press the update key (PF1), type the number of hours to be paid and press the update key (PF1).

If posting to the Payroll Journal, write PLSS followed by the number of hours in hundredths, such as PLSS 8.00.

Please note that employees with 40 hours or less in active pay status during a work week cannot earn overtime, and therefore cannot accrue compensatory time.

D) ADOPTION PAYMENT - when an employee has the proper documents to be eligible for Adoption/Child Birth leave, they have the option of receiving a payment of \$2,000 in lieu of the leave. To post this to payroll a new code has been created as follows:

ADOPTL Adoption Lump Sum Payment

To post an adoption lump sum payment, type the code adoptl in the payroll entry area and press the PF1 key. This will create the template as shown in Exhibit E.

E) WAGE INCREASES - the pay schedules for the next three years are attached. The increases are as follows:

Effective with the beginning of the pay period which includes July 1, 1997, the pay schedules shall be increased by three percent (3%).

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Additional contract changes will be explained in another Payroll Letter. If you have any questions regarding this letter, please contact me at (614) 466-2986. Thank you for your cooperation.

RLC/bc
attachments

{TO OBTAIN COPIES OF THE ATTACHMENTS REFERRED TO IN THE ABOVE PAYROLL LETTER,
PLEASE CONTACT THE STATE OF OHIO PAYROLL ADMINISTRATION OFFICE AT 614-466-6915.}