



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

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**Bob Taft**  
Governor

**C. Scott Johnson**  
Director

**MEMORANDUM**

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

DATE: February 7, 2000

SUBJECT: Payroll Letter 768

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Payroll Letter 768 is being issued because of an error in Payroll Letter 658. The third bullet on the first page of the Payroll Letter is being eliminated because full-time employees moving to a part-time position were **not** supposed to have been exempted from the pro-ration of health insurance premiums. Employees that moved from a full-time position to a part-time position prior to February 13, 2000 are to be grandfathered.

If there are any questions regarding this issue please contact me at (614) 466-2986.

RLC/bc



# Ohio Department of Administrative Services

HUMAN RESOURCES DIVISION  
30 EAST BROAD STREET, 28TH FLOOR  
COLUMBUS, OHIO 43266-0405

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BOB TAFT, GOVERNOR

C. SCOTT JOHNSON, DIRECTOR

February 7, 2000

**Payroll Letter 768**  
Supersedes Payroll Letter 658

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: Pro-ration of Health Insurance Premiums for Part-Time Employees

Except for the employees listed below, the employer share of the health insurance premium for a part-time employee will be based on the number of hours the employee is in active pay status each quarter. The following information serves as the basis to determine the appropriate employer and employee share for health plan premiums for affected employees.

### *Employees Who Are Exempted*

Each agency will contribute 90% of the rate authorized, as published in the most recent open enrollment materials for the Ohio Med Plan and for a HMO, up to the same dollar amount contributed for Ohio Med for the following employees:

- All part-time permanent employees (appointment type 04), part-time interim internal employees (appointment type 13), fixed term irregular employees (appointment type 17) and fixed term regular employees (appointment type 18) with an appointment date prior to March 1, 1994 who were in active pay status more than 500 hours in calendar year 1993.
- All part-time permanent employees, (appointment type 04), part-time interim internal employees (appointment type 13), fixed term irregular employees (appointment type 17) and fixed term regular employees (appointment type 18) with an appointment date after June 30, 1993 and before January 1, 1994 whose average hours in active pay status was 40 hours or more per biweekly pay period.

***Determining the Number of Hours In Active Pay Status***

- The amount the employer will pay for a part-time employee's health insurance premium will be determined based on the employee's average number of hours in active pay status during the previous quarter. Each quarter will consist of six pay periods and will end with the pay periods which include January 1, April 1, July 1, and October 1. For example, the quarter which includes July 1, 1994 began with the pay period ending April 30, 1994 and includes the following pay period ending dates:

April 30, 1994	June 11, 1994
May 14, 1994	June 25, 1994
May 28, 1994	July 9, 1994 (pay period which includes July 1, 1994)

- For newly hired employees, agencies must estimate the number of hours an employee will be in active pay status for the portion of the quarter they will be employed based on the hours the employee is scheduled to work. The agency will use the estimated hours to determine the employer contribution for the premium for the first quarter of employment. If an employee has been in active pay status for at least three pay periods in the quarter, the number of hours in active pay status will be used to determine the employer share for the premium for the subsequent quarter. An employee may choose any health plan, but must enroll within 31 days of hire.

***Determining the Agency and Employee Share of the Health Insurance Premium***

The Systems Administration Section of the Division of State Personnel will determine the quarterly hours in active pay status for each part-time employee based on the time reported on the payroll disbursements journal by your agency. The payroll record of each part-time employee who is subject to the proration will automatically be flagged with the correct "PREM PAY LEVEL" and the employee share of health insurance will be reset. Additionally, each agency will receive a report listing these part-time employees. The report will include the total hours in active pay status, the quarterly average number of hours in active pay status and the employee percentage of the premium for the next three monthly deductions.

Each agency must review the report. If the hours in active pay status for the current quarter are inaccurate, the agency may change the "PREM PAY LEVEL" on the BENE screen using the codes listed on the next page. Additionally, the agency and employee share of the premium is based upon the average number of hours an employee is in active pay status each pay period in a quarter. Your agency will contribute from 0-90% of the premium cost for the Ohio Med plan and for a HMO, up to the same dollar amount contributed for Ohio Med. The agency and employee share can change each quarter.

<b><i>Average Hours In Active Pay Status Per Pay Period In a Quarter</i></b>	<b><i>Employer Share</i></b>	<b><i>Employee Share</i></b>	<b><i>"BENE" Prem Pay Level</i></b>
0 - 39.99	0%	100%	"0"
40 - 59.99	50%	50%	"3"
60 - 69.99	70%	30%	"2"
70 or more	90%	10%	"1"
Employees who are exempted	90%	10%	"4"

### ***Notification to Employees***

Each agency must review the report and notify those employees that are eligible, indicating the amount they must pay. A separate memorandum detailing the notification procedure will accompany the first quarterly list which you should receive by July 25, 1994.

### ***Changing An Employee's Share of the Health Insurance Premium***

Based on the following reasons an employee's share of the health insurance premium may be changed:

- The employee's hours increased or decreased since the previous quarter;
- The hours in active pay status for the current quarter were inaccurate;
- The employee's appointment changed from part-time permanent to another appointment category.

### ***Employees Whose Share of the Health Insurance Premium is 100%***

An employee whose share of the premium changes from 100% to an employer contribution during any quarter may only enroll in Ohio Med after open enrollment has ended. If the employee wishes health insurance coverage, the employee must enroll in Ohio Med within 45 days of notification of eligibility from the agency. Refer to Payroll Letter 654 for instructions regarding deleting the employee's health insurance or adding health insurance for an employee.

### ***Posting Makeup Health Insurance Deductions***

Due to the changing level of the employer's contribution of the health insurance premium for part-time employees, it is advised that agencies use the employee share makeup deduction codes ending with "3" and the employer share makeup deduction codes ending with "4" when posting a makeup health insurance deduction to an employee's payroll record. The use of a makeup deduction code ending with "2" may cause unexpected results since the level of coverage for the previous month may have been different.

RLC/bc