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Payroll Letter 788

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

FROM: Robert L. Cruse, State Payroll Administrator

SUBJECT: Re-employing a State Employee

There has been some confusion concerning the benefits that a re-employed worker is entitled. This includes employees who separate from one state agency on Friday and start back to work with another agency on Monday.

When a new hire Personnel Action ('A' – type) is processed, the employee will receive a new appointment date. The appointment date is used to determine the employee's continuous service for eligibility of Dental, Vision and Life Insurance. It is also used to determine if the employee is required to pay the Medicare portion of FICA, which applies to all state employees hired on or after April 1, 1986.

If the employee returns to work within 31 days of his/her separation they are eligible to receive Dental, Vision and Life Insurance Benefits. They do not have to wait the usual one year period. To activate these benefits, please contact Benefits Administration Services at 614-466-8857 or toll free at 1-800-409-1205.

An employee who has separated from state service and takes a new position with the State of Ohio is required to make Medicare contributions. It does not matter if the break in service is less than 31 days.

Rehiring a Retired Employee.

Refer to Payroll Letter 650 issued on February 4, 1994 concerning the 'Employment of Retirants in a PERS Covered Position'. It discusses the SR-6 form, *Notice of Re-Employment of a PERS retirant*. It also discusses that employees who fail to enroll in a health plan offered by the state and who have no other insurance will have their claims reduced by PERS by those amounts provided or available under the state's health plans. A retirant may waive health care coverage only if that employee has coverage from another health plan other than thru the State or PERS. The state health care coverage will be primary and PERS health care coverage will be secondary.

Rehiring a Retired Employee (continued).

In 1987, House Bill 178 amended Revised Code 9.44 to state that an employee who retires and is re-employed by the state (or political subdivision) on or after June 24, 1987, shall not have prior service with the state or political subdivision counted for the purpose of accruing vacation leave. The bill also amended Revised Code 124.181 to state that prior service of a retired employee is not used when computing longevity. Subsequently, an arbitration settlement ruled that a current employee represented by a union contract will have their prior state service included in the computation of longevity.

As outlined in Payroll Letter 587 dated August 1, 1991, retirees re-employed by the State of Ohio, are identified by having their retirement flag set as follows:

- 'A' – retiree who is presently employed in a PERS position
- 'B' – retiree who is presently employed in a STRS position
- 'C' – retiree who is presently employed in a HPRS position
- 'D' – retiree who is presently employed in a LERS position

Agency payroll officers have the ability to change the retirement flag as needed.

A retiree will have their prior state service stored in the retired state service field 'Ret Srv' which located on the second PAYU screen and their regular state service field 'Serv' is reset to zero. This is accomplished by processing a 'C23' – Service Change PA Code. Employee's will accrue vacation leave based on the time in the 'Serv' field. Union employees earn longevity based on time in the 'Serv' field plus time in the 'Ret Srv' field while exempt employees earn longevity based on time in the 'Serv' field only.

If you have any question concerning the processing of the Personnel Actions, please contact the Human Resources Analyst assigned to your agency. If you have any other questions, please contact Jerry Miller at 644-9151.

RLC/jam