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May 9, 2001

Payroll Letter 796

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: New Performance Evaluation System

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Recently there have been legislation and collective bargaining agreements that changed the process of conducting performance evaluations and processing step increases. Amended Substitute House Bill 640 changed Ohio Revised Code 124.15 concerning eligibility of employees exempt from collective bargaining to receive step increases. Exempt employees will advance to the next step based on maintaining satisfactory performance, in accordance with the criteria established by the employee's appointing authority. In addition, to changing the standard required for movement from Steps 1 to 6, the new law provides for the addition of a Step 7 for employees in pay ranges 12 through 18 who have demonstrated exemplary performance. Guidelines for implementation of the Step 7 movement for exempt employees were outlined in a memorandum from Charles Wheeler, Deputy Director, Human Resources Division on November 15, 2000.

### **Step Denial Process**

Employees may be denied a step increase should they receive an unsatisfactory performance evaluation. This is currently in place for exempt employees and will become effective in July 2001 for employees in the various collective bargaining agreements. Below are the procedures to deny a step increase:

Each payroll period a "Projected Step Increase Roster" is produced. The HRD Personnel Technicians review the report, and then mail it your agencies Human Resource Department, usually on the Monday after payday. When the employee being denied the step appears on the roster, the Payroll Officer should process the Step Denial directly on the employee's payroll record (PAYU). Nothing needs to be posted to the employee's Position Control record.

To deny a step increase, go directly to the employee's payroll record and enter PA Code 'C64' with an effective date and press the PF1 key to update the record. This will automatically set the Step Indicator Flag to 'N' - No Step Allowed and will set the step indicator back to zero. Additionally, once the record has been updated, the step and step indicator fields will become updateable. If the employee had already been given the step increase, then go ahead and correct the step and/or step indicator as needed.



### **Step 7 Process**

Where movement to Step 7 is approved, go directly to the employee's payroll record and enter PA Code "C62" with an effective date and press the PF1 key to update the record. This will automatically advance the employee to step 7 and set the step indicator back to zero. Agencies are requested to forward a copy of any agency specific policies and procedures relating to Step 7 to the Department of Administrative Services, Human Resources Division, Office of Policy Development.

### **Rosters to Assist Agencies with the Performance Evaluation/Step Increase Process**

The Department of Administrative Services, Human Resources Division, Office of Payroll Administration has developed three rosters to assist agencies in determining when performance evaluations/step increases are due. The Rosters have been printed as of pay period ending April 21, 2001 and are being distributed along with this letter to the agency Human Resources Offices. Definitions of each of the three rosters are as follows:

- Projected Annual Performance Evaluation/Step Date – a list of every employee in your agency, grouped by projected step date (month-year) for each payroll in your agency. All employees in their maximum step and whose step indicator exceeds 26 pay periods are printed in the first group for each payroll with no projected step date. This roster will be printed every six months.
- Projected Probationary Performance Evaluation/Step Date – a list of employees with a probationary evaluation/step date that can be projected as of the pay period the roster is produced. The employees are in sequence by projected step date for each payroll in your agency. This roster will be printed every month.
- Adjustments Affecting Step Dates For Non-Probationary Employees – a list of employees who have had an adjustment to their step indicator, appointment date and/or date of last promotion. Because the Projected Annual Performance Evaluation/Step Date Roster is projected as much as a year in advance of the actual performance date/step date, this list of adjustments will provide you with the information necessary to recognize those dates that will change from the original projection.

If you have a question regarding the procedures for conducting a performance evaluation please contact the Office of Collective Bargaining at (614) 466-0570 or the Office of Policy Development (614) 752-6728 depending on whether the employee is a member of a collective bargaining unit or is exempt from collective bargaining. Questions regarding the Rosters or any Payroll Process, please contact the Office of Payroll Administration at (614) 466-6915.

RLC/bc

Enclosures