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Payroll Letter 868

To: HR Administrators, Payroll Officers, Personnel Officers, Fiscal Officers, Labor Relations Officers and EEO Officers of All Departments, Institutions, Boards and Commissions

From: Dan R. Parks, State Payroll Administrator

Subject: Compensatory Time – Time Limits

HRD Payroll Administration is announcing the implementation of a system enhancement that will automatically payoff compensatory time (CT) that has exceeded its allowable time limit for overtime eligible employees. The system will work similar to the current overtime exempt CT system that enforces time limits. The difference is that overtime exempt employees lose their time, while overtime eligible employees will be paid for this time at their current rate of pay.

CT time limits are based on federal law (FLSA), state law and collective bargaining agreements. The following table lists the rules regarding CT time limits:

<u>Union/Exempt Group</u>	<u>CBU's</u>	<u>Time Limit</u>	<u># Pay Periods</u>
OSTA - Troopers & Sergeants	01,15	None	n/a
FOP	02	None	n/a
FOP - Attorney General	46,48	None	n/a
Exempts - Secretary of State	41	180 days	13
Exempts - Treasurer of State	56	180 days	13
Exempts - Under control of the Governor	22,23,33,35	180 days	13
CWA - Secretary of State	40	180 days	13
OCSEA - Attorney General	45	180 days	13
OCSEA - Treasurer of State	55	180 days	13
OCSEA - Auditor of State	50	270 days	20
OCSEA - Statewide	03-09,13,14	270 days	20
OEA	10	365 days	26
SEIU/District 1199	11,12	365 days	26

The Office of Collective Bargaining is working with each Union and your agency on the implementation of this change. To facilitate a smooth transition, the initial payout of unused CT will be in the paychecks employees will receive on July 8, 2005. This will give employees the opportunity to reduce their CT balances that currently exceed the allowable time limits.

When an employee's accrued CT approaches its time limit, the message below will print on the employee's Payroll Earnings Statement indicating the number of CT hours that are near the time limit. The employee will have the next two weeks to use the hours.

***CT NEAR LIMIT XXX.XX** Where "XXX.XX" is the number of hours at the time limit.

When an employee's accrued CT exceeds the allowable time limit, the following payroll exception will be generated:

CT XXX.XX HRS @ \$\$. \$\$ TIME LIMIT Where "XXX.XX" is the number of hours to be paid and "\$\$. \$\$" is the employee's current rate of pay.

Detailed employee information will be maintained on the HR2K system and can be reviewed by entering COMP followed by the employee's name, employee ID number or Social Security number. An example of the COMP screen is shown in Exhibit A below:

COMP				PAYROLL COMP TIME SCREEN				PPE: 10/04/2003			
SSN: SM123456A		AGENCY: 100 - 200		NAME: ELIGIBLE, OTTO B							
CBU: 14-9		OT STATUS: ELIGIBLE		TIME-LIMIT: 270 DAYS							
COMP TIME BALANCE:		40.00									
PPE DATE	USAGE	ACCR.	AVAIL.	PPE DATE	USAGE	ACCR.	AVAIL.				
09/18/2004	0.00	0.00	40.00	03/20/2004	0.00	0.00	0.00				
09/04/2004	0.00	0.00	0.00	03/06/2004	0.50	0.00	0.00				
08/21/2004	0.00	0.00	0.00	02/21/2004	0.00	0.00	0.00				
08/07/2004	0.00	0.00	0.00	02/07/2004	0.50	0.00	0.00				
07/24/2004	0.00	0.00	0.00	01/24/2004	0.00	0.00	0.00				
07/10/2004	0.00	0.00	0.00	01/10/2004	0.00	0.00	0.00				
06/26/2004	0.00	0.00	0.00	12/27/2003	0.00	0.00	0.00				
06/12/2004	0.00	0.00	0.00	12/13/2003	0.00	0.00	0.00				
05/29/2004	0.00	0.00	0.00	11/29/2003	0.00	0.00	0.00				
05/26/2004	0.00	0.00	0.00	11/15/2003	0.00	0.00	0.00				
05/01/2004	0.00	0.00	0.00	11/01/2003	0.00	0.00	0.00				
04/17/2004	0.00	0.00	0.00	10/18/2003	0.00	0.00	0.00				
04/03/2004	0.00	0.00	0.00	10/04/2003	0.00	0.00	0.00				
F1=UPDT F2=FMLA DISPLAY F3=EXIT F4=PAYU F5=POSU F6=DISB DISPLAY F7=PREV F8=NEXT											

Exhibit A

The employee's COMP TIME BALANCE is the total of their available (AVAIL) CT that is within the time limit, plus the pay period that is being paid off. Each pay period, employees will receive a new CT balance based on that pay periods activity (accruals, usages and adjustments) as reported on the employee's payroll record (PAYU).

The initial posting of available CT hours for overtime eligible employees will occur on the pay period that starts the count down to the July 2005 payout. For example, OCSEA employees have 270 days (20 pay periods) to use their accrued CT. Any CT hours left that have not been used, will be paid off the following pay period. OCSEA employee's CT balance has been placed in their available balance field effective pay period ending September 18, 2004. This will start the count down. Any CT used after September 18, 2004, will be reduced from the employee's oldest available balance each pay period. Any CT that exceeds the 270 day time limit will automatically be paid to the employee at the appropriate time.

To adjustment employee compensatory time balances, you may use the following payroll exception entries:

Comp Time Usage Adjustment (adds time to employee's comp time balance):

CTA800 – generates payroll exception: *-CT USE ADJ 008.00-

Comp Time Balance Adjustment (adds time from employee's comp time balance):

CTB800 – generates payroll exception: *-CT BAL ADJ 008.00

Comp Time Accrual Adjustment (subtracts time from employee's comp time accrual):

CTC800 – generates payroll exception: *-CT ACC ADJ 008.00-

Balance adjustments will be credited or debited from the pay period they are reported.

Under Ohio law, retirement contributions are due only on "earnable salary" paid to a public employee for actual services performed by the employee. Payments for overtime worked are defined as earnable salary if paid in the year earned.

If you have any questions concerning your implementation dates, please check with your HR Administrator. For payroll processing questions, please contact the HRD Payroll Support unit. For other issues, please contact my office at (614) 466-6915.

DRP/jam