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June 9, 2005

Payroll Letter 881
Supersedes Payroll Letter 855

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

From: Dan R. Parks, State Payroll Administrator

Subject: Health Care Rates for the Benefit Period July 1, 2005 thru June 30, 2006

Attached are "Rates for All State-Sponsored Health Plans". New premiums will be deducted the first and second paychecks of a month beginning June 2005. During this benefit period, two rate sheets are provided. The first rate sheet is premiums effective July 1 through July 31 (June deductions for July coverage). All full-time permanent and part-time permanent employees in premium pay level 1 will pay 10% of the total premium, while the state will pay 90%. The other rate sheet is premiums effective August 1, 2005 thru June 30, 2006. These premiums will be at an 85/15 split, where all full-time permanent and part-time permanent employees in premium pay level 1 will pay 15% of the total premium, while the state will pay 85%. *Due to the need for two rate sheets, it will be important that agencies follow the instructions below pertaining to "Make-up For One Month of Coverage, Current Plan Year".*

I. HEALTH CARE DEDUCTIONS

To establish health care benefits for new employees or to change existing coverage (e.g., single to family), use the online BENE application. Health insurance deduction codes ending in one (1), either A_1 or J_1, will be used to deduct the employee share of the health insurance premium for the current rate in effect. You will need to enter either A_1 or J_1 with the type of coverage either single or family, to initiate a deduction. The corresponding state share amount will be generated automatically. These codes will cause a premium to be deducted the first and second paycheck of each month. The only method to post these deductions to employee payroll records will be through the online BENE application using the "Change Employee Benefit Information" screen. Deductions of this type will not be accepted if they are posted to the PAYU screen.

You will also use the BENE application to maintain health care benefits such as changing employee dependent information, primary care physician codes, etc. If you have questions regarding the BENE application, or currently do not have on-line update capability, please contact DAS Benefits Administration at (614) 466-8857.

II. PROCESSING HEALTH CARE MAKE-UPS

The “Benefits Make-Up/Refund Form” will be utilized to process all health insurance make-ups. Please complete the form and submit to DAS Benefits Administration for approval at 30 E. Broad Street, 28th Floor, or fax to (614) 728-3002. The form is available at the following web site: www.state.oh.us/das/dhr/pdf/benemakeup.pdf.

Additionally, you must post the appropriate health insurance make-up deduction to the employee’s payroll record using the PAYU application. Health plans will only adjust up to three months of coverage; therefore, only three make-up deductions are permitted. Each make-up is for the entire one month of coverage (do not post half-month make-ups). If you wish more than one month of coverage, you must post a separate make-up for each month of coverage.

1. **Make-up For One Month of Coverage, Current Plan Year**

Codes ending in two (2), either A_2 or J_2, should be used to deduct the employee share of a make-up adjustment for one month of coverage only for the current benefit plan year. Post this code and the appropriate single or family employee coverage amount. This code will automatically generate the current state share amount in effect, and will automatically be removed from payroll at the end of the payroll cycle.

Special instructions for posting make-ups for July coverage. After pay period ending 6/11/2005 (payday June 24), if an employee requires a make-up deduction for July coverage ONLY, an adjustment to wage is needed to cover the difference between the employee shares of deduction from 10% to 15%. The table below shows the appropriate Plus Adjustment amount that should be posted to the employee’s payroll record to cover the difference in the premium amount to be deducted. This wage adjustment, when coded properly, will not be subject to tax and retirement withholding. For instructions on posting Plus Adjustments, please reference chapter 4, page 81 of the Payroll User Guide at the following web site:

<http://www.das.ohio.gov/hrd/pdf/PayrollUserGuide/PUG04-Chapter04.pdf>

The correct syntax for posting the adjustment is as follows:
 PLUS 1.00 ADJ \$\$.\$\$ JULY HMO COV. Please note that the comment
 “JULY HMO COV” will trigger the payroll system to not withhold tax or
 retirement on the adjustment amount.

Plus Adjustment Amounts for July Coverage Only

Health Plan	Single Coverage/ Plus Adjustment	Family Coverage/ Plus Adjustment
Ohio Med PPO	\$15.49	\$42.60
Aetna	\$15.71	\$43.19
The Health Plan	\$14.88	\$40.91
Paramount	\$15.38	\$42.21
Qualchoice	\$13.78	\$37.89
United Healthcare	\$15.94	\$43.46

2. Make-up For One Month of Coverage, Previous Plan Year

Codes ending in three (3), either A_3 or J_3, will be used to deduct the employee share of a make-up adjustment for one month of coverage only, for the previous benefit plan year (July 1, 2004 through June 30, 2005). Post this code and the appropriate single or family coverage amount. This code will automatically generate the previous benefit plan year state share amount, and will automatically be removed from payroll at the end of the payroll cycle.

3. Direct Pay For One Month of Coverage, Current Plan Year

Codes ending in “C”, either A_C or J_C, should be used to process health insurance for one month of coverage only, for the current benefit plan year. Post this code and the appropriate single or family total coverage amount. This code will automatically be removed from payroll at the end of the payroll cycle.

4. Direct Pay For One Month of Coverage, Previous Plan Year

Codes ending in “P”, either A_P or J_P, should be used to process health insurance for one month of coverage only, for the previous benefit plan year. Post this code and the appropriate previous single or family total coverage amount. This code will automatically be removed from payroll at the end of the payroll cycle.

III. REQUESTING HEALTH INSURANCE REFUNDS

The “Benefits Make-Up/Refund Form” should be utilized to request a refund. Please complete the form using the instructions on the back of the form and submit to DAS Benefits Administration for approval. Approved refunds will be forwarded to DAS Payroll Services for processing. Please note that refunds will

only be made for an entire month's premium, where two ½ premiums were deducted, or a full share was deducted.

IV. HEALTH CARE DEDUCTION CODE CHANGES

1. New Health Care Deduction

Effective July 1, 2005 (June deductions), the following health care deduction code has been added:

AD1 Aetna

2. Discontinued Health Care Deductions

Effective July 1, 2005 (June deductions), the following health care deduction codes have been discontinued:

A41 Kaiser Permanente

J51 SummaCare - Cleveland

J61 SummaCare - Akron

Please note that associated make-up codes (A43, A4P, J53, J5P, J63 and J6P) for discontinued deductions will remain in effect through December 2005. Using these codes will process rates that were in effect from July 1, 2004 thru June 30, 2005.

DRP/drp
Attachments

Rates for All State-Sponsored Health Plans
June Deductions For the Benefit Period July 1, 2005 through July 31, 2005
(Including Part-time Employees and Surcharges)

Name of Plan				Employee	State	Total	Name of Plan				Employee	State	Total
A11 Ohio Med PPO						JM1 Paramount							
90%	Single Coverage:	\$31.68	\$279.35	\$311.03	90%	Single Coverage:	\$31.45	\$277.26	\$308.71				
	Family Coverage:	\$85.90	\$767.33	\$853.23		Family Coverage:	\$85.12	\$760.28	\$845.40				
75%	Single Coverage:	\$78.16	\$232.87	\$311.03	75%	Single Coverage:	\$77.58	\$231.13	\$308.71				
	Family Coverage:	\$213.71	\$639.52	\$853.23		Family Coverage:	\$211.75	\$633.65	\$845.40				
50%	Single Coverage:	\$155.61	\$155.42	\$311.03	50%	Single Coverage:	\$154.45	\$154.26	\$308.71				
	Family Coverage:	\$426.71	\$426.52	\$853.23		Family Coverage:	\$422.80	\$422.60	\$845.40				
0%	Single Coverage:	\$311.03	\$0.00	\$311.03	0%	Single Coverage:	\$308.71	\$0.00	\$308.71				
	Family Coverage:	\$853.23	\$0.00	\$853.23		Family Coverage:	\$845.40	\$0.00	\$845.40				
AD1 Aetna						J31 QualChoice							
90%	Single Coverage:	\$32.11	\$283.22	\$315.33	90%	Single Coverage:	\$28.26	\$248.57	\$276.83				
	Family Coverage:	\$87.09	\$777.98	\$865.07		Family Coverage:	\$76.47	\$682.48	\$758.95				
75%	Single Coverage:	\$79.23	\$236.10	\$315.33	75%	Single Coverage:	\$69.61	\$207.22	\$276.83				
	Family Coverage:	\$216.67	\$648.40	\$865.07		Family Coverage:	\$190.14	\$568.81	\$758.95				
50%	Single Coverage:	\$157.76	\$157.57	\$315.33	50%	Single Coverage:	\$138.51	\$138.32	\$276.83				
	Family Coverage:	\$432.63	\$432.44	\$865.07		Family Coverage:	\$379.57	\$379.38	\$758.95				
0%	Single Coverage:	\$315.33	\$0.00	\$315.33	0%	Single Coverage:	\$276.83	\$0.00	\$276.83				
	Family Coverage:	\$865.07	\$0.00	\$865.07		Family Coverage:	\$758.95	\$0.00	\$758.95				
AK1 The Health Plan						AC1 UnitedHealthcare							
90%	Single Coverage:	\$30.46	\$268.35	\$298.81	90%	Single Coverage:	\$42.79	\$287.38	\$330.17				
	Family Coverage:	\$82.52	\$736.88	\$819.40		Family Coverage:	\$123.21	\$782.65	\$905.86				
75%	Single Coverage:	\$75.10	\$223.71	\$298.81	75%	Single Coverage:	\$82.94	\$247.23	\$330.17				
	Family Coverage:	\$205.25	\$614.15	\$819.40		Family Coverage:	\$226.86	\$679.00	\$905.86				
50%	Single Coverage:	\$149.50	\$149.31	\$298.81	50%	Single Coverage:	\$165.18	\$164.99	\$330.17				
	Family Coverage:	\$409.80	\$409.60	\$819.40		Family Coverage:	\$453.03	\$452.83	\$905.86				
0%	Single Coverage:	\$298.81	\$0.00	\$298.81	0%	Single Coverage:	\$330.17	\$0.00	\$330.17				
	Family Coverage:	\$819.40	\$0.00	\$819.40		Family Coverage:	\$905.86	\$0.00	\$905.86				

SURCHARGES	
UBH:	\$7.61/\$20.70
Comm/Education:	\$1.00
Analyst:	\$0.20

**Rates for All State-Sponsored Health Plans
Deductions For July, 2005 through May, 2006
For the Benefit Period August 1, 2005 through June 30, 2006
(Including Part-time Employees and Surcharges)**

Name of Plan				Employee	State	Total	Name of Plan				Employee	State
A11 Ohio Med PPO						JM1 Paramount						
85%	Single Coverage:	\$47.17	\$263.86	\$311.03	85%	Single Coverage:	\$46.83	\$261.88				
	Family Coverage:	\$128.50	\$724.73	\$853.23		Family Coverage:	\$127.33	\$718.07				
75%	Single Coverage:	\$77.94	\$233.09	\$311.03	75%	Single Coverage:	\$77.58	\$231.13				
	Family Coverage:	\$213.30	\$639.93	\$853.23		Family Coverage:	\$211.75	\$633.65				
50%	Single Coverage:	\$155.39	\$155.64	\$311.03	50%	Single Coverage:	\$154.45	\$154.26				
	Family Coverage:	\$426.30	\$426.93	\$853.23		Family Coverage:	\$422.80	\$422.60				
0%	Single Coverage:	\$311.03	\$0.00	\$311.03	0%	Single Coverage:	\$308.71	\$0.00				
	Family Coverage:	\$853.23	\$0.00	\$853.23		Family Coverage:	\$845.40	\$0.00				
AD1 Aetna						J31 QualChoice						
85%	Single Coverage:	\$47.82	\$267.51	\$315.33	85%	Single Coverage:	\$42.04	\$234.79				
	Family Coverage:	\$130.28	\$734.79	\$865.07		Family Coverage:	\$114.36	\$644.59				
75%	Single Coverage:	\$79.23	\$236.10	\$315.33	75%	Single Coverage:	\$69.61	\$207.22				
	Family Coverage:	\$216.67	\$648.40	\$865.07		Family Coverage:	\$190.14	\$568.81				
50%	Single Coverage:	\$157.76	\$157.57	\$315.33	50%	Single Coverage:	\$138.51	\$138.32				
	Family Coverage:	\$432.63	\$432.44	\$865.07		Family Coverage:	\$379.57	\$379.38				
0%	Single Coverage:	\$315.33	\$0.00	\$315.33	0%	Single Coverage:	\$276.83	\$0.00				
	Family Coverage:	\$865.07	\$0.00	\$865.07		Family Coverage:	\$758.95	\$0.00				
AK1 The Health Plan						AC1 UnitedHealthcare						
85%	Single Coverage:	\$45.34	\$253.47	\$298.81	85%	Single Coverage:	\$58.73	\$271.44				
	Family Coverage:	\$123.43	\$695.97	\$819.40		Family Coverage:	\$166.67	\$739.19				
75%	Single Coverage:	\$75.10	\$223.71	\$298.81	75%	Single Coverage:	\$82.94	\$247.23				
	Family Coverage:	\$205.25	\$614.15	\$819.40		Family Coverage:	\$226.86	\$679.00				
50%	Single Coverage:	\$149.50	\$149.31	\$298.81	50%	Single Coverage:	\$165.18	\$164.99				
	Family Coverage:	\$409.80	\$409.60	\$819.40		Family Coverage:	\$453.03	\$452.83				
0%	Single Coverage:	\$298.81	\$0.00	\$298.81	0%	Single Coverage:	\$330.17	\$0.00				
	Family Coverage:	\$819.40	\$0.00	\$819.40		Family Coverage:	\$905.86	\$0.00				

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