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Ohio Department of Administrative Services  
Bob Taft, *Governor*  
Carol Nolan Drake, *Director*

Human Resources Division  
Payroll Administration  
30 East Broad Street, 29<sup>th</sup> Floor  
Columbus, Ohio 43215-3414

614.466.6915 voice  
614.232.1653 fax  
www.state.oh.us/das/hrd/payroll



September 27, 2006

## Payroll Letter 903

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: Health Care Rate Holiday - 2006

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Pursuant to recent collective bargaining agreements and exempt parity language, a rate holiday for health insurance will be observed in October 2006, and again later next year. During pay periods 09/30/2006 (payday October 13<sup>th</sup>) and 10/14/2006 (payday October 27<sup>th</sup>) all eligible employees enrolled in Ohio Med or any other state sponsored plan, will receive a one-month rate holiday where no employee and employer premiums will be taken. The applicable health care plans include: Ohio Med PPO (A11), Aetna (AD1) and United Health Care (AC1). Any employee who is currently enrolled in Paramount (JM1), The Health Plan (AK1) and Qualchoice (J31), are not entitled to this benefit; meaning their regular deductions will continue throughout October. Please note that the rate holiday will have no impact on our biweekly reporting of enrollment to the affected health care providers during October.

### Employee Eligibility

The eligible employees to receive this benefit fall within the following collective bargaining unit groupings listed below.

OCSEA – Collective Bargaining Units 03-09, 13, 14, 45, 50 & 55

OEA – Collective Bargaining Unit 10

Ohio Health Care (1199) – Collective Bargaining Units 11 & 12

CWA – Collective Bargaining Unit 40

FOP – Collective Bargaining Units 02, 46 & 48

OSTA – Collective Bargaining Units 01 & 15

Exempts - Collective Bargaining Units 22, 23, 33, 35, 41, 47, 51, 56, 98 & 99

### Part-time Employees

All exempt part-time employees are currently eligible. Part-time and established-term bargaining unit employees who are on “active payroll” are eligible to receive the rate holiday. An established-term bargaining unit employee that has been separated and is continuing coverage through COBRA is not eligible.

### Elected Officials

Elected officials identified as appointment type 08, are not eligible to receive this benefit. They are constitutionally prohibited from receiving anything that would have the effect of raising their compensation during the term they are serving.

### Board and Commission Members

For agencies with Board and Commission Members identified as appointment types 08 or 09, regardless whether they are on active payroll or not, are not eligible to receive this benefit.

### Leaves of Absence

Employees who are on approved leave of absence such as disability pending, workers comp pending, or occupational injury, who are currently maintaining their insurance coverage by paying 100% of the premiums (direct pay) are entitled to the one month rate holiday. The HR2K payroll system will be modified to not generate the normal payroll exception reporting codes used to offset the regular deduction for one month of coverage. For employees in this category, you should not collect the October premium for November coverage. Any exempt employee in this situation would be eligible. For bargaining unit employees, they would not be eligible if all of the following conditions are met:

- a. Their service has been interrupted (e.g. established-term appointments, disability separation, layoff, etc.);
- b. The appointing authority no longer has an obligation to provide coverage under section 20.01D of the OCSEA contract; and
- c. The employee is eligible for COBRA

### Health Care Make-ups

Agencies should continue to process health care make-ups as usual. The HR2K system will accept all health care make-up deductions during the rate holiday period.

### Employee Separations

If an employee separates state employment, the effective date of the separation will determine if the employee is entitled to subsequent health care coverage. For example, if the employee separates between September 17, 2006 and September 30, 2006 which is processed on payday October 13<sup>th</sup>, the employee is not entitled to health care coverage for November. Conversely if the employee separates in October, they will be entitled to health care coverage for November; thus the rate holiday applies.

Questions and Assistance

The following points of contact are listed to assist you with answering any questions related to rate holiday:

HR2K Payroll Processing – DAS Payroll Support (614) 466-2831

Employee Coverage and Make-ups – DAS Benefits Administration (614) 466-8857

Eligibility for Union Employees – Contact your respective Labor Relations Officer

Eligibility for Exempt Employees – DAS Policy Development (614) 752-5393

DRP/drp