



September 21, 2007

Payroll Letter 915
Supersedes Payroll Letter 903

To: Agency HR Specialists, Payroll Specialists, Budget Specialists, Benefits Specialists, Labor Relations Specialists, and Regulatory Requirements Specialists of All Departments, Institutions, Boards and Commissions

From: Dan R. Parks, State Payroll Administrator

Subject: Health Care Rate Holiday - 2007

Pursuant to collective bargaining agreements and exempt parity language, a rate holiday for health insurance will be observed in October 2007. During pay end dates 09/15/2007 (payday September 28th) and 10/13/2007 (payday October 26th) all eligible employees enrolled in a state sponsored health care plan will receive a one-month rate holiday where no employee and employer premiums will be taken. Note, no deduction will be taken pay end date 09/29/2007 (payday October 12th) because this is a third pay end date in a month. New employees with coverage effective November 1 are not eligible for the rate holiday and their deduction will be taken as make-ups. 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 – Bargaining Units 03-09, 13, 14, 45, 50 & 55
OEA – Bargaining Unit 10
Ohio Health Care (1199) – Bargaining Units 11 & 12
CWA – Bargaining Unit 40
FOP – Bargaining Units 02, 46 & 48
OSTA – Bargaining Units 01 & 15
Exempts - 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 who has been separated and is continuing coverage through COBRA is not eligible.

Elected Officials

Elected officials identified as fixed-term salaried, 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 fixed-term salaried or fixed-term per diem, regardless whether they are on active payroll or not, are not eligible to receive this benefit.

Leaves of Absence

Employees who are on approved Payroll Leave Action (PLA) such as disability ending, 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 rate holiday. 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 OAKS 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 16, 2007 and September 29, 2007 which is processed on payday October 12th, 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, and 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:

Employee Coverage and Make-ups – HCM Customer Service Unit 1-800-409-1205
Eligibility for Union Employees – Contact your respective Labor Relations Officer
Eligibility for Exempt Employees – DAS Policy Development (614) 752-5393

DRP/drp