



July 18, 2008

Corrected Payroll Letter 929
Supersedes Payroll Letter 914

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: David S. Holbrook, HCM Administrator

Subject: Fringe Payroll Costs, Fiscal Year 2009

Payrolls issued for employees of the State of Ohio have certain payroll related charges added. These charges are pro-rated to the same OAKS Combo Code chart of accounts as the employee's salary. The charges effective for fiscal year 2009 are listed below. In addition, attached is a listing of the OAKS Expense Account categories.

502025 *Medicare Part-B Reimbursement.* This charge is added to the first payroll processed each month for persons who are over age 65 and who have supplied proof of eligibility. This charge is \$96.40 per month for eligible employees.

Note - This charge will discontinue after September 30th per H.B. 562, which eliminates the statutory authority for this reimbursement.

503501 *PERS Employer Contribution.* This charge is calculated at 14.00% of gross pay for employees subject to PERS.

503502 *STRS Employer Contribution.* This charge is calculated at 14.00% of gross pay for employees subject to STRS.

503503 *HPRS Employer Contribution.* This charge is calculated at 25.50% of gross pay for employees who are subject to HPRS.

503504 *Workers' Compensation Employer Contribution.* The rates are based on a separate schedule issued by the Bureau of Workers' Compensation. See Payroll Letter 927 indicating the Workers' Compensation Rates for FY 2009.

- 503505 *Hospitalization Insurance Contribution.* This charge is the state's share of health insurance in accordance with Sec. 124.82 of the Ohio Revised Code. See Payroll Letter 926 indicating current health insurance codes and rates.

- 503506 *FICA Employer Contribution.* This charge is calculated at 6.20% of gross pay for employees who are exempt from the state retirement systems, and therefore subject to FICA.

- 503507 *Group Life Insurance Contribution.* This charge is made to pay premiums for life insurance provided under Sec 124.81 of the Ohio Revised Code. Charges are calculated in the pay period, which includes the first day of each month. An employee's life insurance coverage is based on their annual salary. The charge for exempt employees will be \$.15 per thousand dollars of life insurance coverage. This includes \$.135 for basic life, and \$.015 for double life insurance. For employees covered under OCSEA Benefits Trust, a \$70.00 charge per eligible employee is a negotiated rate to include Dental, Vision, and Life Insurance. The charge is reflected in expense account 503508.

- 503508 *Dental Insurance/Benefits Trust Contribution.* This charge is made to pay premiums for dental care insurance provided under Sec 124.82 of the Revised Code. For employees covered under OCSEA Benefits Trust, a \$70.00 charge per eligible employee is a negotiated rate to include Dental, Vision, and Life Insurance. For eligible employees, the current rates are:

Description	Premium
Preferred Choice (OCSEA Benefits Trust)	\$70.00
Quality Dental (OCSEA Benefits Trust)	\$70.00
Delta Dental PPO (exempt employees)	\$25.46 (single)
Delta Dental PPO (exempt employees)	\$72.48 (family)
Delta Dental Premier (exempt employees)	\$25.40 (single)
Delta Dental Premier (exempt employees)	\$71.38 (family)

- 503509 *Vision Insurance Contribution.* This charge is made to pay premiums for vision care insurance provided under Sec 124.82 of the Ohio Revised Code. For employees covered under OCSEA Benefits Trust, a \$70.00 charge per eligible employee is a negotiated rate to include Dental, Vision, and Life Insurance. The charge is reflected in object 503508. For eligible employees, the current rates are:

Description	Premium
Vision Service Plan (OCSEA Benefits Trust)	\$70.00
EyeMed Vision Care Plan (OCSEA Benefits Trust)	\$70.00
Vision Service Plan (exempt employees)	\$17.62
EyeMed Vision Care (exempt employees)	\$11.40

503510 *Disability Leave Premium.* This charge is computed at .75% of gross pay for persons eligible to receive benefits under the program established in accordance with Sec 124.385 of the Revised Code. If part-time employees are eligible to receive disability benefits based on their respective union contract, disability premiums are deducted.

503511 *Accrued Leave Premium.* This charge is computed at 2.00% of gross pay for persons eligible for sick, personal or vacation leave. The proceeds of this charge are used for sick and personal leave converted on December 1st of each year, payment of any personal leave balances that exceed maximum accruals at the time personal leave is credited, and for sick, personal or vacation leave paid to the employee at the time of separation from state service as authorized by Sec 125.211 of the Ohio Revised Code.

503512 *Medicare Employer Contribution.* Premiums for Medicare portion of FICA as required by 1986 Federal Budget Act, for all employees hired on or after April 1, 1986. The employer share is 1.45% of gross pay.

503513 *Liability Insurance Contribution.* When required by collective bargaining agreements to be paid on behalf of members of the unit. The rate is per employee per month, and is charged the first payroll period of each month as follows:

Union	CBU	Rate
Ohio State Troopers Association (OSTA)	01	\$7.00
Ohio State Troopers Association (OSTA)	15	\$7.00
Fraternal Order of Police (FOP)	02	\$4.00
Fraternal Order of Police (FOP)	46	\$4.00
Fraternal Order of Police (FOP)	48	\$4.00

503515 *Tuition Reimbursements.* Provides reimbursement of job/career-related tuition and seminar costs for affected employees in different collective bargaining units. The rate is per employee per pay period and is charged as follows:

Union	CBU	Rate
Ohio State Troopers Association (OSTA)	01	\$5.94
Ohio State Troopers Association (OSTA)	15	\$6.05
Fraternal Order of Police (FOP)	02	\$5.75
State Council of Professional Educators (SCOPE)	10	\$10.00
Ohio Health Care (1199)	11/12	\$3.60

503516 *LEERS Employer Contribution.* This charge is calculated at 17.40% of gross pay for employees subject to LERS (law enforcement provision of PERS). On January 1, 2009, this charge will increase to 17.63%.

- 503517 *HMO Communication/Mental Health Surcharges.* The employer charge for the Benefits Communication and Education Surcharge is \$.50 for each employee who has a health insurance deduction. The combined employee/employer rate for the United Behavioral Health (UBH) Managed Mental Health Substance/Abuse Surcharge is \$8.06 for single coverage and \$21.96 for family coverage. The employer charge is the same percentage as the state's share of the employee's health insurance premium (see Payroll Letter 926).
- 503518 *Parental Leave Benefit Fund.* This charge is to cover the costs of parental leave benefits provided under Sec. 124.136 of the Ohio Revised Code and collective bargaining agreements. The premium is .11% of gross pay per employee.
- 503519 *AFSCME Union Education Trust.* This charge is to cover the costs associated with article 37.03 of the OCSEA agreement. An assessment of \$19.00 for each bargaining unit member in active pay status as of the first of the month (excludes when employee is on disability or receiving workers comp). Also includes employees represented by collective bargaining unit 40, where the employer pays \$0.06 per hour paid in active pay status. **Note – Pay period ending 7/5/08 the rate will be set at \$3.12 and reset to \$19.00 starting with pay period ending 7/19/08.**
- Exempt Professional Development Fund.* This charge is to cover the costs associated with Sec. 124.182 of the Ohio Revised Code. An assessment of \$0.10 per hour paid in active pay status per pay period for exempt employees (excludes time when employee is on disability or receiving workers comp). This charge does not apply to employees in the following agencies: Attorney General, Treasurer of State, Auditor of State, Judiciary, Supreme Court, Court of Claims, Judicial Conference, Senate, House, Legislative Service Commission, and Joint Committee on Agency Rule Review.
- 504301 *Human Resources Services.* This charge is for the cost of human resources services provided by DAS Human Resources Division in accordance with Sec. 124.07 of the Ohio Revised Code, and the Human Capital Management (HCM) component of the OAKS Support Organization. The charge is \$16.18 per paycheck.

- 504303 *OBM State Accounting and Budgeting Services.* This charge is made to reimburse the Office of Budget and Management for the cost of accounting and budgeting services pursuant to Sec. 126.25 of the Ohio Revised Code, and the Financial (FIN) component of the OAKS Support Organization. The rate is .947% of gross pay per employee. **Note - An incorrect rate of 1.097% was used for pay day 7/03/08. To correct, a rate of .796% will be applied for pay day 7/18/08. The FY 09 rate will be reset to .947% starting with pay day 8/1/08.**
- 504305 *Office of Collective Bargaining.* This charge is made for service performed in accordance with Sec 4117.10 (D) of the Ohio Revised Code. Charges will be computed on the head count of employees in all agencies except Judicial, Legislative, State Employment Relations Board, Attorney General, Auditor of State, Treasurer of State, Lt. Governor and Governor. The rate is \$2.00 per employee.
- 504307 *Employee Assistance Program.* The charge is made for services provided by the Ohio Employee Assistance Program. Charges will be computed on salaries of employees in all agencies except Judicial-Municipal Court Judges. The rate is \$.75 per employee.
- 504308 *Equal Employment Opportunity.* This charge is made to reimburse the Equal Opportunity Division of the Department of Administrative Services for costs of administering equal employment programs in accordance with administrative rule 123:1-49. The rate is \$.26 per employee.
- 504309 *Enterprise Services.* This charge is for enterprise information technology services provided by the Office of Information Technology, including: the enterprise directory, information technology research and advisory services, the Office of Statewide IT Policy, the Office of Enterprise Planning and Project Management, and the enterprise components of the Office of the State Chief Information Officer. The premium is .231% of gross pay per employee.

DSH/scc