



June 23, 2003

Payroll Letter 840

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

From: Dan Parks, State Payroll Administrator

Subject: Step & Longevity Freeze, plus Sick Leave paid at 100% for Overnight Stay

The recently agreed upon collective bargaining agreement between the State of Ohio and OCSEA includes provisions that are effective July 1st, 2003. They include the processing of the longevity rate freeze, step freeze and the payment of the 2nd forty hours of sick leave usage at 100% with a qualified overnight hospital stay. The same provisions have been included in the exempt employees parity bill that has been submitted to the Legislature and may be included on other collective bargaining agreements.

Longevity Freeze

For the purposes of longevity pay calculation, no credit shall be given for the period from July 1, 2003 through June 30, 2005, inclusive. To implement this freeze, the following will occur:

1. A new longevity service field (FzSrv) has been created to capture the amount of service credit an employee has earned. This new field will be used to determine the employee's eligibility for longevity pay as well as being part of the longevity pay calculation (Pay Range, Step 1 Rate x longevity service years x .005). An employee must have 5 years longevity service to receive longevity pay. Also twenty (20) is the maximum number of years included in the calculation.
2. Effective with the payroll period ending June 28, 2003, employees will have their current state service copied to the new longevity service field (FzSrv).
3. All employees in an active payroll status on the payroll period ending July 12, 2003 and whose appointment date is prior to June 28, 2003, will receive two (2) days of service credit in the new longevity service field (FzSrv).
4. From the payroll period ending July 26, 2003, through the payroll period ending June 25, 2005, no service time will be credited to the new longevity service field.
5. For employees in an active payroll status on the payroll period ending July 9, 2005 and whose separation date is after July 1, 2005, the system will give 9 days of service credit in the new longevity service field (FzSrv).
6. Effective with the payroll period ending July 23, 2005, employees will receive 14 days of longevity service credit for each pay period in an active pay status.



Longevity Freeze (continued)

Employees will continue to accrue 14 days of state service (Serv) for each pay period the employee is in an active pay status. Vacation leave accrual continues to be based on state service.

Employees eligible to be credited with service for time not paid by warrant of Auditor of State or time paid by warrant of Auditor of State, but not currently reflected in their records will have the prior service added to their regular state service field (Serv). Time will also need to be added to the longevity service field (FzSrv) with the exception of time earned during the July 1, 2003 through June 30, 2005 period. Our State Services Unit will adjust the FzSrv amount when processing service credits (C23 - PA Code). For other FzSrv adjustments, please contact our Payroll Support Unit.

Step Freeze

Effective with the payroll period that includes July 1, 2003, there shall be no non-probationary step movements. Normal Step movement will resume with the payroll period that includes July 1, 2005. The freeze will be in effect for 52 payroll periods. To implement this freeze, the following will occur:

1. All employees in an active pay status on the payroll period ending June 28, 2003 will have one added to their step indicator and **if eligible**, will move to the next step in the pay range. The employee will receive this new step rate starting June 29, 2003 (payday July 25, 2003).
2. All non-probationary employees (positive step indicator) on active payroll (paid or nopay status) between any of the payroll periods beginning June 29, 2003 and ending June 25, 2005, inclusive, will have one added to their step indicator but will **not** advance to the next step in the pay range. On the employee's payroll record (PAYU), their step indicator will cycle as normal (from 1 to 26, then back to 1). On the employee's earnings statement, their step indicator will be frozen for two years. The freeze will be in effect for the paydays of July 25, 2003 through July 8, 2005.
3. Employees in the top step on their pay range and whose step indicator is greater than 26 on June 29, 2003, will be processed as follows. On the employee's earnings statement, their step indicator will be frozen for two years. On the employees payroll record (PAYU), their step indicator will continue to increase by one each payroll period. The moving step indicator will keep our performance evaluation system working. When the freeze is over, the actual step indicator will be reset to match their earnings statement.
4. All probationary employees (negative step indicator) who are in an active pay status will continue to receive the probationary step increases. Once the employee has completed their probation (positive step indicator), they will receive their probationary step increase then follow the rules specified under #2 above.



5. Starting with the payroll period ending July 9, 2005, normal step movement will resume. Employees in an active pay status will have one added to their step indicator and **when eligible**, move to the next step in the pay range. The first group of employees will receive the new step rate on payday July 22, 2005.

Allowing the employee's payroll record (PAYU) step indicators to advance each payroll period provides the following advantages:

1. The performance evaluation system continues to operate as designed.
2. Employees coming off their probationary period will establish the annual performance evaluation dates and step movement dates.

On the payroll period ending June 25, 2005, Systems Administration will compare all employees step indicators with their value on the payroll period ending June 28, 2003. The values should be the same, except for those employees who served a probationary period (new hires and promotions). Systems Administration will work with the Office of Collective Bargaining to ensure compliance with the contract language and will adjust step indicators as needed.

Paid Sick Leave at 100% when Overnight Hospital Stay required.

Effective with the payroll period that includes July 1, 2003, employees who use sick leave that is paid at 70% of their regular rate of pay may be eligible for compensation at 100%. To be eligible for the increased benefit level, the sick leave must be used in conjunction with an overnight hospital stay of the employee, employee's spouse or child residing with the employee or for those hours of sick leave used before or after the hospital stay that are contiguous to the hospital stay.

Report on payroll by entering "SICKHOSP" in the payroll exception area. This will generate an adjustment payroll exception template where you can enter the adjustment amount. Calculate the amount to be 30% of the employee's regular rate of pay times the number of eligible hours to be paid at 100%. The comment area following the exception will default to "SIC HOS STAY". The cost will be captured under object of expense 020-02 - sick leave compensation.

To be eligible for this sick leave adjustment, the employee must complete the "Physician or Health Care Provider Certification for Overnight Hospitalization" form (ADM 4262). A copy of the form is attached and is also available at www.ohio.gov/stateforms

If you have any questions concerning the collective bargaining agreements, please contact your labor relations office. If you have any payroll processing questions, please contact our payroll support unit. If you have any other questions, please contact Jerry Miller at 614-466-6915.

DRP/JAM
Attachments

Payroll Letter 840 - Step Movement Freeze - Example

Pay Period	Normal				Frozen									Pay Day
	Step	Ind PAYU	Ind Stub	Frozen PPD	Regular			Prob			Max			
					Step	Step Ind PAYU	Ind Stub	Step	Ind PAYU	Ind Stub	Step	Ind PAYU	Ind Stub	
5/31/2003	2	25	26	No	2	25	26							6/13/2003
6/14/2003	3	0	1	No	3	0	1	1	-13	PROB 12	9	30	31	6/27/2003
6/28/2003	3	1	2	No	3	1	2	1	-12	PROB 11	9	31	32	7/11/2003
7/12/2003	3	2	3	Yes	3	2	2	1	-11	PROB 10	9	32	32	7/25/2003
7/26/2003	3	3	4	Yes	3	3	2	1	-10	PROB 9	9	33	32	8/8/2003
8/9/2003	3	4	5	Yes	3	4	2	1	-9	PROB 8	9	34	32	8/22/2003
8/23/2003	3	5	6	Yes	3	5	2	1	-8	PROB 7	9	35	32	9/5/2003
9/6/2003	3	6	7	Yes	3	6	2	1	-7	PROB 6	9	36	32	9/19/2003
9/20/2003	3	7	8	Yes	3	7	2	1	-6	PROB 5	9	37	32	10/3/2003
10/4/2003	3	8	9	Yes	3	8	2	1	-5	PROB 4	9	38	32	10/17/2003
10/18/2003	3	9	10	Yes	3	9	2	1	-4	PROB 3	9	39	32	10/31/2003
11/1/2003	3	10	11	Yes	3	10	2	1	-3	PROB 2	9	40	32	11/14/2003
11/15/2003	3	11	12	Yes	3	11	2	1	-2	PROB 1	9	41	32	11/28/2003
11/29/2003	3	12	13	Yes	3	12	2	1	-1	PROB 0	9	42	32	12/12/2003
12/13/2003	3	13	14	Yes	3	13	2	2	0	0	9	43	32	12/26/2003
12/27/2003	3	14	15	Yes	3	14	2	2	1	0	9	44	32	1/9/2004
1/10/2004	3	15	16	Yes	3	15	2	2	2	0	9	45	32	1/23/2004
1/24/2004	3	16	17	Yes	3	16	2	2	3	0	9	46	32	2/6/2004
2/7/2004	3	17	18	Yes	3	17	2	2	4	0	9	47	32	2/20/2004
2/21/2004	3	18	19	Yes	3	18	2	2	5	0	9	48	32	3/5/2004
3/6/2004	3	19	20	Yes	3	19	2	2	6	0	9	49	32	3/19/2004
3/20/2004	3	20	21	Yes	3	20	2	2	7	0	9	50	32	4/2/2004
4/3/2004	3	21	22	Yes	3	21	2	2	8	0	9	51	32	4/16/2004
4/17/2004	3	22	23	Yes	3	22	2	2	9	0	9	52	32	4/30/2004
5/1/2004	3	23	24	Yes	3	23	2	2	10	0	9	53	32	5/14/2004
5/15/2004	3	24	25	Yes	3	24	2	2	11	0	9	54	32	5/28/2004
5/29/2004	3	25	26	Yes	3	25	2	2	12	0	9	55	32	6/11/2004
6/12/2004	4	0	1	Yes	3	0	2	2	13	0	9	56	32	6/25/2004
6/26/2004	4	1	2	Yes	3	1	2	2	14	0	9	57	32	7/9/2004
7/10/2004	4	2	3	Yes	3	2	2	2	15	0	9	58	32	7/23/2004
7/24/2004	4	3	4	Yes	3	3	2	2	16	0	9	59	32	8/6/2004
8/7/2004	4	4	5	Yes	3	4	2	2	17	0	9	60	32	8/20/2004
8/21/2004	4	5	6	Yes	3	5	2	2	18	0	9	61	32	9/3/2004
9/4/2004	4	6	7	Yes	3	6	2	2	19	0	9	62	32	9/17/2004
9/18/2004	4	7	8	Yes	3	7	2	2	20	0	9	63	32	10/1/2004
10/2/2004	4	8	9	Yes	3	8	2	2	21	0	9	64	32	10/15/2004
10/16/2004	4	9	10	Yes	3	9	2	2	22	0	9	65	32	10/29/2004
10/30/2004	4	10	11	Yes	3	10	2	2	23	0	9	66	32	11/12/2004
11/13/2004	4	11	12	Yes	3	11	2	2	24	0	9	67	32	11/26/2004
11/27/2004	4	12	13	Yes	3	12	2	2	25	0	9	68	32	12/10/2004
12/11/2004	4	13	14	Yes	3	13	2	2	0	0	9	69	32	12/24/2004
12/25/2004	4	14	15	Yes	3	14	2	2	1	0	9	70	32	1/7/2005
1/8/2005	4	15	16	Yes	3	15	2	2	2	0	9	71	32	1/21/2005
1/22/2005	4	16	17	Yes	3	16	2	2	3	0	9	72	32	2/4/2005
2/5/2005	4	17	18	Yes	3	17	2	2	4	0	9	73	32	2/18/2005
2/19/2005	4	18	19	Yes	3	18	2	2	5	0	9	74	32	3/4/2005
3/5/2005	4	19	20	Yes	3	19	2	2	6	0	9	75	32	3/18/2005
3/19/2005	4	20	21	Yes	3	20	2	2	7	0	9	76	32	4/1/2005
4/2/2005	4	21	22	Yes	3	21	2	2	8	0	9	77	32	4/15/2005
4/16/2005	4	22	23	Yes	3	22	2	2	9	0	9	78	32	4/29/2005
4/30/2005	4	23	24	Yes	3	23	2	2	10	0	9	79	32	5/13/2005
5/14/2005	4	24	25	Yes	3	24	2	2	11	0	9	80	32	5/27/2005
5/28/2005	4	25	26	Yes	3	25	2	2	12	0	9	81	32	6/10/2005
6/11/2005	5	0	1	Yes	3	0	2	2	13	0	9	82	32	6/24/2005
6/25/2005	5	1	2	Yes	3	1	2	2	14	0	9	83	32	7/8/2005
7/9/2005	5	2	3	No	3	2	3	2	15	16	9	32	33	7/22/2005
7/23/2005	5	3	4	No	3	3	4	2	16	17	9	33	34	8/5/2005