



August 25, 2004

**Payroll Letter 860**  
Supersedes Payroll Letter 842

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: Fringe Payroll Costs, Fiscal Year 2005

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Payrolls issued for employees of the State of Ohio have certain payroll related charges added. These charges are pro-rated to the same accounting codes as the employee's salary. The charges effective for fiscal year 2005 are listed below. In addition, attached is a listing of the payroll objects of expense categories.

- 020-25 *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 \$66.60 per month for eligible employees.
- 035-01 *PERS Employer Contribution.* This charge is calculated at 13.31% of gross pay for employees subject to PERS.
- 035-02 *STRS Employer Contribution.* This charge is calculated at 14.00% of gross pay for employees subject to STRS.
- 035-03 *HPRS Employer Contribution.* This charge is calculated at 24.50% of gross pay for employees who are subject to HPRS.
- 035-04 *Workers' Compensation Employer Contribution.* The rates are based on a separate schedule issued by the Bureau of Workers' Compensation. See Payroll Letter [859](#) indicating the Workers' Compensation Rates for FY 2005.
- 035-05 *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 [855](#) indicating current health insurance codes and rates.
- 035-06 *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.

035-07 *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 \$.159 per thousand dollars of life insurance coverage. For employees covered under OCSEA Benefits Trust, a \$55.00 charge per eligible employee is a negotiated rate to include Dental, Vision, and Life Insurance. The \$55.00 is reflected in object 035-08.

035-08 *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 \$55.00 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 PPO (OCSEA Benefits Trust)	\$55.00
Quality Dental (OCSEA Benefits Trust)	\$55.00
Delta Preferred Option USA (exempt employees)	\$24.19 (single)
Delta Preferred Option USA (exempt employees)	\$65.02 (family)
Delta Premier USA (exempt employees)	\$22.03 (single)
Delta Premier USA (exempt employees)	\$59.59 (family)

035-09 *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 \$55.00 charge per eligible employee is a negotiated rate to include Dental, Vision, and Life Insurance. The \$55.00 is reflected in object 035-08. For eligible employees, the current rates are:

Description	Premium
Vision Service Plan (OCSEA Benefits Trust)	\$55.00
Cole Vision (OCSEA Benefits Trust)	\$55.00
Vision Service Plan (exempt employees)	\$11.76
Cole Vision (exempt employees)	\$6.82

035-10 *Net Disability Leave Amount.* This charge is computed at 1.70% 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.

035-11 *Net Accrued Leave Amount.* This charge is computed at 2.15% of gross pay of 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, 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.

035-12 *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.

035-13 *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	\$3.125
Fraternal Order of Police (FOP)	02	\$7.00
Fraternal Order of Police (FOP)	46	\$3.125
Fraternal Order of Police (FOP)	48	\$3.125

035-14 *Double Life Insurance Contribution.* Double life insurance is paid to persons killed in the line of duty. For exempt employees eligible for double life insurance, the cost of the premium is \$.020 per thousand dollars of coverage.

035-15 *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	\$2.14
Ohio State Troopers Association (OSTA)	15	\$3.99
Fraternal Order of Police (FOP)	02	\$4.18
State Council of Professional Educators (SCOPE)	10	\$13.27
Ohio Health Care (1199)	11/12	\$2.72

035-16 *LEERS Employer Contribution.* This charge is calculated at 16.70% of gross pay for employees subject to LEERS (law enforcement provision of PERS).

035-17 *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 Managed Mental Health Substance/Abuse Surcharge is \$7.26 for single coverage and \$19.46 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 855).

035-18 *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 .13% of gross pay per employee.

035-19 *AFSCME Workforce Development Fund.* This charge is to cover the costs associated with article 37.02 of the OCSEA agreement. An assessment of \$0.05 per hour paid in active pay status (excludes hours paid when on disability leave or receiving workers compensation) per person per pay period for employees represented by collective bargaining units 3, 4, 5, 6, 7, 8, 9, 13, 14 and 55. Also includes employees represented by collective bargaining unit 40, where the employer pays \$0.10 of the per hour rate.

*Exempt Professional Development Fund.* This charge is to cover the costs associated with Sec. 124.182 of the Ohio Revised Code. For FY 2005, a rate holiday will be in effect.

043-01 *Payroll Processing.* This charge is for the cost of Human Resources Division services furnished in accordance with Sec. 124.07 of the Ohio Revised Code. The charge is \$11.06 per paycheck.

043-03 *Central Accounting System.* This charge is made to reimburse the Accounts Section of the Office of Budget and Management for the cost of accounting reports and services. The rate is .295% of gross pay per employee. *Note – Per the Office of Budget and Management, a rate holiday will be in effect for three consecutive pay periods, beginning pay period ending 08/21/2004 through pay period ending 09/18/2004.*

043-05 *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 \$2.06 per employee.

043-07 *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 \$.60 per employee.

043-08 *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.

043-09 *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 .251% of gross pay per employee, pending final OBM approval.

## PAYROLL OBJECTS OF EXPENSE

### 010 - WORK PERFORMED

01	010-01	BASE SALARIES AND WAGES
02	010-02	BILINGUAL SUPPLEMENT
03	010-03	PROFESSIONAL ACHIEVEMENT SUPP
04	010-04	EDUCATIONAL ATTAINMENT SUPP
05	010-05	SHIFT DIFFERENTIAL SUPP
06	010-06	HAZARDOUS DUTY SUPPLEMENT
07	010-07	OTHER / MEAL TIME SUPPLEMENT
08	010-08	LONGEVITY SUPPLEMENT
09	010-09	MERIT PAY SUPPLEMENT
10	010-10	COMP TIME USED-OT EXEMPT EMPL

### 011 - OVERTIME

11	011-01	OVERTIME PAY
12	011-02	PAY FOR HOLIDAY WORKED
13	011-03	REPORT / CALL BACK PAY
14	011-04	COMP TIME PAID-OT ELIG EMPL
15	011-05	COMP TIME USED-OT ELIG EMPL
16	011-06	ROLL-CALL PAY
17	011-07	ON-CALL PAY
18	011-08	ON-DUTY PAY
19	011-09	STAND-BY PAY
20	011-10	N/U

### 020 - UNEARNED WAGES

21	020-01	HOLIDAY COMPENSATION
22	020-02	SICK LEAVE COMPENSATION
23	020-03	PERSONAL LEAVE COMPENSATION
24	020-04	VACATION COMPENSATION
25	020-05	INJURY COMPENSATION
26	020-06	MILITARY LEAVE COMPENSATION
27	020-07	JURY DUTY COMPENSATION
28	020-08	DISABILITY LEAVE COMP
29	020-09	SICK LV COMP W/O TERM
30	020-10	PERSONAL LV COMP W/O TERM
31	020-11	BEREAVEMENT LEAVE COMP
32	020-12	ADMINISTRATIVE LEAVE COMP
33	020-13	UNION TIME COMPENSATION
34	020-14	ADOPTION / CHILDBIRTH COMP
35	020-15	TUITION REIMBURSEMENT
36	020-16	HEADQUARTERS ALLOWANCE
37	020-17	UNIFORM ALLOWANCE
38	020-18	OTHER LEAVE COMPENSATION
39	020-19	COURT ORDERED COMPENSATION
40	020-20	EMERGENCY COMPENSATION
41	020-21	N/U
42	020-22	WORKERS COMP BENEFITS
43	020-23	LUMP SUM PAYMENTS
44	020-24	ARBITRATION PAYMENTS
45	020-25	MEDICARE PART-B REIMBURSEMENT
46	020-26	TRAVEL SUPPLEMENT
47	020-27	VACATION USE IN LIEU OF SICK
48	020-28	PERS LEAVE USE IN LIEU OF SICK

### 021 - MOVING EXPENSES

49	021-01	MOVING EXPENSES / MILEAGE
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### 030 - TERMINAL LEAVE

50	030-01	SICK LV COMP AT TERMINATION
51	030-02	PERSONAL LV COMP AT TERMINATION
52	030-03	VACATION LV COMP AT TERMINATION

### 035 - BENEFITS

53	035-01	PERS EMPLOYER CONTRIBUTION
54	035-02	STRS EMPLOYER CONTRIBUTION
55	035-03	HPRS EMPLOYER CONTRIBUTION
56	035-04	WORKERS COMP EMPLOYER CONT
57	035-05	HOSP INSURANCE CONTRIBUTION
58	035-06	FICA EMPLOYER CONTRIBUTION
59	035-07	GROUP LIFE INSURANCE CONTRIBUTION
60	035-08	DENTAL / BENEFITS TRUST CONTRIBUTION
61	035-09	VISION INSURANCE CONTRUBUTION
62	035-10	NET DISABILITY LEAVE AMOUNT
63	035-11	NET ACCRUED LEAVE AMOUNT
64	035-12	MEDICARE EMPLOYER CONTRIBUTION
65	035-13	LIABILITY INSURANCE CONTRIBUTION
66	035-14	DOUBLE LIFE INSURANCE CONTRIBUTION
67	035-15	TUITION REIMBURSEMENTS
68	035-16	LEERS EMPLOYER CONTRIBUTION
69	035-17	HMO COMMUNICATION / MH SURCHARGES
70	035-18	PARENTAL LEAVE BENEFIT FUND
71	035-19	AFSCME / EXEMPT WORKFORCE DEV

### 036 - CHILD CARE VOUCHER

77	036-01	CHILD CARE VOUCHER CONTRIBUTON
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### 043 - CHARGE BACKS

72	043-01	PAYROLL PROCESSING
73	043-03	CENTRAL ACCOUNTING SYSTEM
74	043-05	COLLECTIVE BARGAINING
75	043-07	EMPLOYEE ASSISTANCE PROGRAM
76	043-08	EQUAL EMPLOYMENT OPPORTUNITY
78	043-09	ENTERPRISE SERVICES

### SPECIAL OBJECTS - FOR USE BY OBM AND DAS PAYROLL ONLY

79	020-08	DISABILITY LEAVE ADJUSTMENT
80	035-11	ACCRUED LEAVE ADJUSTMENT