

123:1-34-10

**Voluntary cost saving program.**

- (A) Pursuant to section 124.392 of the Revised Code, the voluntary cost savings (VCS) program has been created as a tool for an appointing authority to reduce costs. A VCS program provides employees who are exempt from collective bargaining and paid by a warrant of the director of the office of budget and management with the opportunity to reduce their schedule or be in a no pay status for a period of time without reducing certain benefits or requiring them to exhaust paid leave.
- (B) Approval. An appointing authority shall notify the director of administrative services of its intent to establish and implement a VCS program and receive the director's approval before the program can become effective. The notice shall include:
- (1) A description of the proposed VCS program indicating whether the appointing authority will offer one or both of the options outlined in paragraph (D) of this rule;
  - (2) A description of the proposed VCS program's compliance with paragraphs (C) to (J) of this rule;
  - (3) The approximate number of employees eligible to participate in the proposed VCS program;
  - (4) A copy of the proposed VCS program agreement to be used by the appointing authority in compliance with paragraph (I) of this rule; and
  - (5) The anticipated duration and availability of the proposed VCS program.
- (C) Eligibility. Full-time or part-time permanent employees who are paid by warrant of the director of budget and management and have successfully completed an initial or promotional probationary period shall be eligible to participate in the VCS program. The VCS program shall be administered on a strictly voluntary basis.
- (D) An appointing authority may propose a VCS program that includes either or both of the options listed in this paragraph. If an appointing authority proposes both options, it must also state whether an employee may utilize both options during the same fiscal year.
- (1) Reduction of hours. Full-time permanent employees may reduce their hours worked by no less than eight hours and no more than forty hours per pay period. The maximum amount of time an employee may use this option is for five hundred twenty hours in a fiscal year or for a total of six months, whichever comes first.

- (2) Unpaid leave of absence. Full-time or part-time permanent employees may take unpaid leaves of absence for two to thirteen week periods within a fiscal year.
- (E) Leave accrual. Employees who reduce their hours worked pursuant to paragraph (D)(1) of this rule shall accrue vacation and sick leave on a pro-rated basis based on the number of hours spent in active pay status. Employees who take an unpaid leave of absence pursuant to paragraph (D)(2) of this rule shall not accrue any vacation or sick leave while in inactive pay status. The utilization of either option shall have no impact on an employee's accrual of personal leave.
- (F) Service credit. Employees who reduce their hours worked pursuant to paragraph (D)(1) of this rule shall not incur a break in service and will be treated as full-time employees for purposes of calculating retention points. Employees who take an unpaid leave of absence pursuant to paragraph (D)(2) of this rule shall not incur a break in service and will be treated as their regular appointment type for purposes of calculating retention points as long as the employee returns to employment.
- (G) Health insurance. Employees who reduce their hours worked pursuant to paragraph (D)(1) of this rule shall maintain full-time status for purposes of health care coverage, benefits, and premiums. Employees who take an unpaid leave of absence pursuant to paragraph (D)(2) of this rule are responsible for their share of insurance premiums for all insurance programs in which the employee is enrolled at the time of the leave. It is the employee's responsibility to make payment arrangements with their payroll officer prior to the leave commencing. The state shall maintain the employer's share of the premiums during utilization of this option.
- (H) Unemployment benefits. Employees participating in this program shall not be eligible for unemployment benefits.
- (I) VCS program agreement approval process.
- (1) Employees seeking to participate in the VCS program must complete and submit a signed VCS program agreement to their appointing authority at least thirty days prior to commencement of the leave of absence or implementation of a reduced schedule. An appointing authority may waive the thirty day notice requirement and authorize a minimum of fewer than thirty days advanced notice.
  - (2) The appointing authority must sign the VCS program agreement for it to become effective.
  - (3) Even after the VCS program agreement is effective, the appointing authority

retains the sole discretion to approve or deny an employee's leave request. The appointing authority must ensure that any impact on operations as a result of such work arrangements is minimal and additional costs do not result.

(4) The appointing authority shall notify an employee of the status of the request no later than seven days before the effective day of the leave of absence or the implementation of the reduced schedule.

(J) Termination. An appointing authority may terminate a VCS program agreement by providing ten working days notice in writing to the employee. An employee may terminate a VCS program agreement upon ten working days notice in writing to the appointing authority unless mutually agreed to otherwise by the employee and the appointing authority.

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**CERTIFIED ELECTRONICALLY**

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Certification

03/10/2009

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Date

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