123:1-34-10 Voluntary cost saving program.

(A) Pursuant to division (B) of section 124.392 of the Revised Code, the voluntary cost savings (VCS) program was created as a tool for an appointing authority to reduce costs. A VCS program provides eligible employees 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 will 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 is to include:

(1) A description of the proposed VCS program indicating which of the options outlined in paragraph (D) of this rule the appointing authority will offer;

(2) A description of the proposed VCS program's compliance with paragraphs (C) to (L) 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 (M) of this rule; and

(5) The anticipated duration and availability of the proposed VCS program.

(C) Eligibility. A full-time or part-time permanent employee, exempt from collective bargaining, who is paid by warrant of the director of budget and management and has successfully completed an initial or promotional probationary period is eligible to participate in the VCS program. The VCS program is to be administered on a strictly voluntary basis.

(D) An appointing authority may propose a VCS program that includes any or all of the options listed in this paragraph. If an appointing authority proposes all of the options, it will also state whether an employee may utilize more than one option during the same fiscal year.

(1) Reduction of hours. A full-time eligible employee may reduce the 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. An eligible employee may take an unpaid leave of absence for no less than two weeks and no more than thirteen weeks during a fiscal year.

(3) Credit with forty or eighty voluntary cost savings hours per fiscal year. An eligible employee may be credited with either forty or eighty voluntary cost savings hours in a fiscal year. Employees participating in this program will have each bi-weekly paycheck reduced over the course of the fiscal year in an amount that equates to either forty or eighty hours in total. An employee is entitled to use all available voluntary cost savings hours during the fiscal year, at times mutually agreed to between the employee and the appointing authority.

(E) Pay status.

(1) Leave used pursuant to paragraphs (D)(1) and (D)(2) will not be included in the definition of active pay status for the purpose of earning overtime or compensatory time for employees who are eligible to earn overtime.

(2) Leave used pursuant to paragraphs (D)(1) and (D)(2) will be included in the definition of active pay status for the purpose of earning compensatory time for employees who are not eligible to earn overtime.

(F) Reconciliation.

(1) Employees who are prevented by their appointing authority from taking VCS time pursuant to paragraph (D)(3) will have the appropriate corrections made to their paycheck at the end of the fiscal year.

(2) If an employee separates or transfers from state service during the fiscal year, the employee will receive payment for the amount of money that has been deducted less the cost of the time used. If the employee used more time than deducted, the employee's final paycheck will be adjusted to balance out the excess hours taken.

(G) Leave accrual. An employee's accruals of vacation, sick, or personal leave will not be impacted by the employee's participation in a VCS program.

(H) Service credit.

(1) An employee who reduces hours worked pursuant to paragraphs (D)(1) and (D)(3) of this rule will not incur a break in service.

(2) An employee who takes an unpaid leave of absence pursuant to paragraph (D)(2) of this rule will not incur a break in service as long as the employee returns to employment.

(I) Retention points.

(1) An employee who reduces hours worked pursuant to paragraphs (D)(1) and (D)(3) of this rule will be treated in accordance with the employee's regular appointment type for purposes of calculating retention points.

(2) An employee who takes an unpaid leave of absence pursuant to paragraph (D)(2) of this rule will have the employee's retention points calculated in accordance with the employee's regular appointment type as long as the employee returns to employment.

(J) Health insurance.

(1) An employee who reduces hours worked pursuant to paragraph (D)(1) of this rule maintains full-time status for purposes of health insurance premiums.

(2) An employee who takes an unpaid leave of absence pursuant to paragraph (D)(2) of this rule is responsible for the employee's share of insurance premiums for all insurance programs in which the employee is enrolled at the time of the leave.

(a) It is the employee's responsibility to make payment arrangements with the appropriate payroll officer prior to the leave commencing.

(b) The state maintains the employer's share of any applicable insurance premiums.

(3) An employee who participates in this program pursuant to paragraph (D)(3) of this rule maintains their appointment type, as full-time or part-time, for the purpose of health care premiums.

(K) Unemployment benefits. An employee participating in this program will not be eligible for unemployment benefits.

(L) Holiday pay. An employee participating in a VCS program on a day contiguous to a holiday is eligible to receive holiday pay pursuant to section 124.18 of the Revised Code.

(M) VCS program agreement approval process.

(1) An employee seeking to participate in the VCS program pursuant to paragraphs (D)(1) and (2) will complete and submit a signed VCS program agreement to the 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. An employee seeking to participate in the VCS program pursuant to paragraph (D)(3) will complete and submit a signed

VCS program agreement to the appointing authority by June 1 for the following fiscal year.

(2) The VCS program agreement becomes effective upon the signature of the appointing authority .

(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 will 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 will 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.

(N) Termination.

(1) Program agreements entered into pursuant to paragraphs (D)(1) and (D)(2) may be terminated by the employee upon ten working days notice in writing to the appointing authority unless mutually agreed to otherwise or may be terminated by the appointing authority through providing ten working days notice in writing to the employee.

(2) Program agreements entered into pursuant to paragraph (D)(3) will not be terminated prior to the end of the fiscal year in which the agreement was entered into.

Replaces:	Current version of 123:1-34-10 which is being rescinded due to change of more than 50% and replaced with this new version of the OAC section.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

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