

**State of Ohio**  
**Accrued Leave Fund**

**Role and Overview**

The Accrued Leave Liability Fund Group is a budget presentation convention that deals with seven separate funds. These funds account for various transactions related to the benefits of state employees. The Central Accounting System code for the Accrued Leave Liability Fund Group is "PAY."

The six funds shown on the budget tables for "PAY" are appropriated to and administered by the Department of Administrative Services (DAS). They are shown here rather than in the DAS budget in order to highlight the role they play in the centralized payment and accounting of these benefits. The funds receive revenue from agency payroll accounts, or from eligible participants, when payrolls are processed. The amount received is based on payroll charges and payroll deductions. Disbursements are made from the health and life insurance funds to insurance providers, third-party administrators, and consultants, such as auditors and actuaries. Disbursements from the leave funds and spending accounts are made primarily to eligible employees. Disbursements from the Disability Leave Fund include payments to actuarial and medical consultants reviewing disability claims.

**Executive Priorities for the Accrued Leave Fund**

- Ensure that adequate revenues are collected via charges to agencies and/or employees.
- Ensure that all required payments are made to employees or vendors on a timely basis.

**Summary of Budget History and Recommendations**

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
	FY 2002	FY 2003	FY 2004			FY 2005	FY 2006	% CHANGE	FY 2007
<b>BUDGET FUND GROUP</b>									
Accrued Leave Liability Fund Group	23,321	23,586	22,551	128,395	469.4	116,904	(8.9)	128,906	10.3
Agency Fund Group	183,386	365,022	358,534	379,962	6.0	497,665	31.0	572,207	15.0
<b>TOTAL</b>	<b>206,707</b>	<b>388,608</b>	<b>381,085</b>	<b>508,356</b>	<b>33.4</b>	<b>614,569</b>	<b>20.9</b>	<b>701,112</b>	<b>14.1</b>

(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
	FY 2002	FY 2003	FY 2004			FY 2005	FY 2006	% CHANGE	FY 2007
<b>OBJECT OF EXPENSE</b>									
Personal Services	26	58	68	184	170.3	0	(100.0)	0	.0
Purchased Services	153	277	443	5,337	1,105.1	2,847	(46.7)	3,235	13.7
Maintenance	2	0	0	30	.0	0	(100.0)	0	.0
Transfer & Other	206,526	388,273	380,574	502,806	32.1	611,723	21.7	697,877	14.1
<b>TOTAL</b>	<b>206,707</b>	<b>388,608</b>	<b>381,085</b>	<b>508,356</b>	<b>33.4</b>	<b>614,569</b>	<b>20.9</b>	<b>701,112</b>	<b>14.1</b>

## Accrued Leave Fund

### PROGRAM SERIES 01: Health and Life Insurance Benefits

The Health and Life Insurance Benefits series consists of two programs that provide medical, dental, vision and life insurance coverage for current and former state employees.

#### Program 01.01: Health Benefits Fund

The State Employee Health Benefits Fund is used to pay the cost of the state's self-insured Ohio Med managed care health insurance program, the state's self-insured United Health Plan HMO, and the cost of dental and vision insurance for state employees not covered by the OCSEA benefits trust.

#### What the Budget Buys:

- Provides the transfer payments to pay for employees' health benefits, including medical, dental, and vision insurance. These include both the state and the employees' share of the expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
AGY	808	995-668	State Employee Health Benefit	480,879,258	550,922,742
<b>TOTAL FOR PROGRAM</b>				<b>480,879,258</b>	<b>550,922,742</b>

#### Program 01.02: Life Insurance Benefit Fund

The Life Insurance Investment Fund is used to pay the costs of the state's group life insurance benefit program for exempt employees.

#### What the Budget Buys:

- Provides the transfer payments to pay for employees' life insurance benefits.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
AGY	810	995-670	Life Insurance Investment	1,943,789	2,031,381
<b>TOTAL FOR PROGRAM</b>				<b>1,943,789</b>	<b>2,031,381</b>

### PROGRAM SERIES 02: Paid Leave Funds/Programs

The Paid Leave Funds/Programs series consists of three programs that provide for accrued leave, disability, and parental leave payments for eligible State of Ohio employees.

#### Program 02.01: Accrued Leave Fund

The Accrued Leave Liability Fund provides for the payment to employees, at termination from state service, of accrued employee vacation, sick, and personal leave. In addition, payments for certain amounts of unused sick and personal leave are made to active employees during an annual December conversion.

#### What the Budget Buys:

- Provides the transfer payments to pay for employees' accrued leave payments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
ALF	806	995-666	Accrued Leave	68,846,630	77,950,372
<b>TOTAL FOR PROGRAM</b>				<b>68,846,630</b>	<b>77,950,372</b>

## Accrued Leave Fund

### Program 02.02: Disability Leave Fund

The State Employee Disability Leave Benefit Fund provides disability and income protection for non-job related disabilities to eligible state employees.

#### What the Budget Buys:

- Provides the transfer payments to pay for employees' disability leave payments.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
ALF	807	995-667	Disability Fund	48,057,723	50,955,496
<b>TOTAL FOR PROGRAM</b>				<b>48,057,723</b>	<b>50,955,496</b>

### Program 02.03: Parental Leave Fund

The Parental Leave Benefit Fund is used to make payments to eligible employees using parental leave for the birth or adoption of children.

#### What the Budget Buys:

- Provides the transfer payments to pay for employees' parental leave payments where eligible employees receive a percentage of their pay for four weeks after an initial 14-day waiting period immediately following the birth or adoption of a child.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
AGY	811	995-671	Parental Leave Benefit	4,040,434	4,282,860
<b>TOTAL FOR PROGRAM</b>				<b>4,040,434</b>	<b>4,282,860</b>

## PROGRAM SERIES 03: Health & Dependent Care Spending

The Health & Dependent Care Spending Accounts program series consists of two programs that provide for the deduction and subsequent repayment of health care benefits and dependent care benefits to eligible employees who select such benefits.

### Program 03.01: Dependent Care Spending Account

The Dependent Care Spending Account Fund enables eligible employees to set aside pre-tax money for work-related dependent care expenses. Funds are deducted from employees' wages each pay period. Account holders can then withdraw their funds on a tax-free basis as often as every two weeks. A qualifying dependent may be any child under the age of 13; a disabled child of any age who requires care; a parent living in your home who needs care; or a disabled spouse who needs care.

#### What the Budget Buys:

- Provides the transfer payments to pay for employees' dependent care expenses.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
AGY	809	995-669	Dependent Care Spending Acct	2,801,543	2,969,635
<b>TOTAL FOR PROGRAM</b>				<b>2,801,543</b>	<b>2,969,635</b>

## Accrued Leave Fund

### Program 03.02: Health Care Spending Account

The Health Care Spending Account Fund enables eligible employees to set aside pre-tax money for out-of-pocket health care expenses. Funds are deducted from employees' wages each pay period. Account holders can then withdraw their funds on a tax-free basis as covered expenses are incurred. The program was initiated in January 2005.

#### What the Budget Buys:

- Provides the transfer payments to pay for employees' health care spending expenses, which in calendar year 2005, participating employees may have up to \$500 deducted from wages and up to \$1,000 in calendar year 2006. The amounts of reimbursement are equivalent to the elected deductions.

FUND GROUP	FUND	ALI	ALI NAME	RECOMMENDED	
				FY 2006	FY 2007
AGY	813	995-672	Health Care Spending Account	8,000,000	12,000,000
<b>TOTAL FOR PROGRAM</b>				<b>8,000,000</b>	<b>12,000,000</b>

## LINE ITEM SUMMARY - Accrued Leave Liability

FUND	ALI	ALI TITLE	FY 2002 ACTUAL	FY 2003 ACTUAL	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 RECOMMENDED	% CHANGE	FY 2007 RECOMMENDED	% CHANGE
806	995-666	Accrued Leave	22,957,139	22,003,209	21,439,499	78,296,200	68,846,630	(12.1)	77,950,372	13.2
807	995-667	Disability Fund	364,067	1,583,202	1,111,349	50,098,308	48,057,723	(4.1)	50,955,496	6.0
<b>TOTAL Accrued Leave Liability Fund Grp</b>			<b>23,321,206</b>	<b>23,586,411</b>	<b>22,550,848</b>	<b>128,394,508</b>	<b>116,904,353</b>	<b>(8.9)</b>	<b>128,905,868</b>	<b>10.3</b>
808	995-668	State Employee Health Benefit	178,702,697	360,520,100	353,668,187	371,450,611	480,879,258	29.5	550,922,742	14.6
809	995-669	Dependent Care Spending Acct	2,415,635	2,506,018	2,769,729	2,706,805	2,801,543	3.5	2,969,635	6.0
810	995-670	Life Insurance Investment	1,817,877	1,824,248	1,851,438	1,992,489	1,943,789	(2.4)	2,031,381	4.5
811	995-671	Parental Leave Benefit	449,309	171,544	244,730	3,811,731	4,040,434	6.0	4,282,860	6.0
813	995-672	Health Care Savings Account	0	0	0	0	8,000,000	.0	12,000,000	50.0
<b>TOTAL Agency Fund Group</b>			<b>183,385,518</b>	<b>365,021,910</b>	<b>358,534,084</b>	<b>379,961,636</b>	<b>497,665,024</b>	<b>31.0</b>	<b>572,206,618</b>	<b>15.0</b>
<b>TOTAL Accrued Leave Liability</b>			<b>206,706,724</b>	<b>388,608,321</b>	<b>381,084,932</b>	<b>508,356,144</b>	<b>614,569,377</b>	<b>20.9</b>	<b>701,112,486</b>	<b>14.1</b>