# DONATED HARDSHIP LEAVE

## TABLE OF CONTENTS

- **Donated Hardship Leave** ................................................................. 1
- **TABLE OF CONTENTS** ........................................................................... 1
- **INTRODUCTION** ........................................................................................ 2
  - Responsibilities ...................................................................................... 2
- **ENTERING DONATED HARDSHIP LEAVE (DH)** ...................................... 4
- **LEAVE CODES** .......................................................................................... 7
  - Compensatory and Straight Time Accrued ................................................. 7
  - Donated Leave ....................................................................................... 7
  - Leave without Pay .................................................................................. 7
  - Special Designators for Leave Types ..................................................... 8
- **NET PAY NEGATIVE** ................................................................................ 8
- **PAYROLL PROCESS** .................................................................................. 9
  - Prerequisites .......................................................................................... 9
  - Current Pay Period Donations ............................................................... 11
  - Retroactive Entries ................................................................................. 15
- **PEBB BENEFITS** ................................................................................... 15
  - Required or “Core” Benefits (Medical, Dental, Vision, Basic Life) ............... 15
  - Optional Benefits .................................................................................. 17
- **PERS** ....................................................................................................... 18
- **TAXES** ..................................................................................................... 19
- **BACKGROUND INFORMATION** ......................................................... 19
  - Authority / References .......................................................................... 19
  - Creating an Audit Trail .......................................................................... 20
  - Reports .................................................................................................. 20
  - Screens .................................................................................................. 21
- **REVISION HISTORY** ............................................................................... 24
- **ATTACHMENTS** .................................................................................... 24
  - Donated Hardship Leave Worksheet Example ............................................ 25
  - Insurance Force Entry Worksheet, Part-time .............................................. 26
  - Sample Memo – Donations from One Executive Branch Agency to Another .... 27
INTRODUCTION

This document describes the payroll issues that may apply when an employee requests donated hardship leave.

Employees may exhaust their accumulated leave because of their own or a family member’s health condition. State HR Policy 60.025.01 “Donated Leave” and collective bargaining agreements (CBA) give the framework for state agencies to create donated hardship leave programs. Through these programs, agencies can replace income and potentially continue benefits for qualifying employees. In designing programs, agencies must comply with state HR policy 60.025.01 Donated Leave or the CBA that covers the employee. They must also comply with PEBB eligibility rules (OAR 101-010-0005).

Depending upon the policy or CBA that covers the employee’s benefit package, employees may donate compensatory or vacation leave. State policy or the CBA may define the following:

- Criteria for eligibility
- Minimum donation amount
- Allowable increments
- In some cases, the maximum amount an employee may receive

State policy and some CBA’s allow an employee in one Executive Branch agency to donate leave to an employee in another Executive Branch agency. Both the sending and receiving agencies must approve the donation.

RESPONSIBILITIES

Applies To

These guidelines apply to all agencies that use OSPA and have an employee who requests donated hardship leave.

Organizational Units

Both within your agency and statewide, several individuals play a role when an employee requests donated leave. They include:

<table>
<thead>
<tr>
<th>Entity</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Going on Leave</td>
<td>• Follows the agency’s procedure for requesting donated hardship leave</td>
</tr>
<tr>
<td></td>
<td>• When requested, obtains appropriate medical certifications</td>
</tr>
<tr>
<td></td>
<td>• When possible, completes and signs timesheets or enters time in On-line Daily Time (ODT) or ePayroll.</td>
</tr>
<tr>
<td>Employee Donating Hardship Leave</td>
<td>• Gives written authorization to donate hardship leave, including recipient, kind of leave and number of hours</td>
</tr>
<tr>
<td>Entity</td>
<td>Responsibility</td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Employee’s Manager           | • Ensures employee’s time and leave are entered, including the correct special designator (See the Leave Codes section below)  
|                              | • Approves time and leave reported  
|                              | • Monitors employee’s leave balances  
| Agency Human Resources       | • May enter LWOP status in Workday  
|                              | • Determines employee’s eligibility for donated hardship leave  
|                              | • If donated leave approved, may solicit and collect authorizations for donations from agency staff members  
|                              | • May maintain record of donations and use of leave  
| Agency Payroll               | • If donated leave approved, may solicit and collect authorizations for donations from agency staff members  
|                              | • May maintain record of donations and leave used  
|                              | • Ensures that an eligible employee receives benefits  
|                              | • Monitors for overpayments  
|                              | • Processes payments when employee pays the employee’s share of PEBB core premiums, any associated surcharges, and any optional PEBB benefits, see the Payroll Process, PEBB Benefits  
|                              | • Processes donated hardship leave for eligible employees, see the Payroll Process and Entering Donated Hardship Leave sections below  
|                              | • If an employee from one Executive Branch agency donates leave to an employee in another Executive Branch agency:  
|                              | ▪ Coordinates with other agency payroll, providing information on number of hours donated and the labor costing for each employee  
|                              | ▪ Notifies own agency’s accounting staff and provides labor costing and dollar value of leave for the employee sending or receiving leave  
| Agency Accounting            | • If agency employee donates leave to an employee in another Executive Branch agency, transfers funds, using labor cost codes from agency payroll and the receiving agency’s accounting codes  
| Payroll System Support (PSS), Oregon Statewide Payroll Services (OSPS), Financial Business Systems (FBS), Enterprise Goods and Services (EGS), Department of Administrative Services (DAS), OSPS.Help@oregon.gov | • Processes payments received from employees for self-payment of benefits and return of overpayments  
|                              | • Maintains OSPA tables, including the Payroll Benefit Package and Payroll Deduction Tables  
| Chief Human Resources Office, DAS | • Maintains HR statewide policies and collective bargaining agreements (CBA)  
|                              | • Provides guidance on policy and CBA requirements  

Questions? Contact the OSPS Help Desk  
OSPS.Help@oregon.gov  
Telephone: 503-378-6777  
Page 3  
Updated 03/09/2016
## Statewide Payroll Reference Manual

### Payroll Processes

#### Donated Hardship Leave

<table>
<thead>
<tr>
<th>Entity</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| Public Employee Benefit Board (PEBB), Oregon Health Authority (OHA), inquiries.pebb@state.or.us | • Provides insurance benefit options for state employees  
• Provides guidance on PEBB policies and benefits |

## Systems / Applications

The following computer systems / applications help manage employee benefits, leave and pay:

<table>
<thead>
<tr>
<th>System / Application</th>
<th>Functionality</th>
</tr>
</thead>
</table>
| Workday (Previously PPDB, Position Personnel Database) | • Maintains employment history for each employee, including LWOP status  
• Sends the data to:  
  ▪ OSPA “real-time”  
  ▪ PEBB “dot” benefits (PDB) nightly  
  ▪ PERS jClarety monthly |
| Oregon Statewide Payroll Application (OSPA) | • Maintains record of employee time and attendance, including leave balances  
• Provides electronic data to PEBB “dot” Benefits (PDB) and PERS jClarety after each final payroll run 2  
• Pays PEBB carriers  
• Calculates, pays and records taxes and retirement  
• Produces paychecks and electronic payments, pay stubs and employee W-2’s |
| PEBB “dot” Benefits (PDB) | • Maintains record of employees’ PEBB benefits |
| PERS jClarety | • Maintains retirement data for PERS participants |

## ENTERING DONATED HARDSHIP LEAVE (DH)

First, complete any necessary research and the Donated Hardship Leave Worksheet (see the Payroll Process and Attachments sections below). Before the employee can record donated hardship leave hours in OSPA, payroll must enter the DH balance on the P435 Leave Detail screen. The following description gives an overview of the entries. See the Payroll Process, Leave Accrual and Reporting for detailed instructions on Adjusting a Leave Balance.

### Action

1. Create the DH record on the P435 Employee Leave Detail screen:  
   • In the upper left corner of any screen, type P435, SSN or Employee ID DH (P435 OR####### DH)  
   • Press [ENTER]  
   
### More

OSPA will default to your sign-on agency and CCJ #1. You can change the CCJ.
2. OSPA will display the P435 screen with LV TP DH. It will display the screen message “LV04 NO LEAVE DETAIL DATA EXISTS”. The DH leave type will have ACCRUAL BAL CUR: .00.

3. Then, to add the DH balance, type the following:
   - ?.a
   - ADJ/TRANS: a
   - HOURS LEAVE: Donated DH hours from the Donated Hardship Leave worksheet, ##.##
   - COMMENTS: to create an audit trail, 12 alphanumeric characters

4. Check your entry. If it is correct, press [ENTER]. Look for the message LV92 TRANSACTION COMPLETE. If you receive other messages, see Screen Guides, P435 or Code Lists, Screen Message Codes.
5. Record the employee’s use of donated hardship leave on the P003 or P004 Time Capture screen. Use the DH pay code. If the employee is on protected leave, include a third-digit special designator.

The DH balance at the bottom of the P003 screen was 161.00 prior to saving the entry.

The special designator of 2 means the employee is on OFLA / FMLA leave.

See Leave Codes below, Special Designators section.

The CUR ACCRUAL BAL will change to reflect the entry.
**LEAVE CODES**

Under State HR Policy 60.000.15 Family and Medical Leave and CBA’s, the employee must first use accrued leave. These documents may dictate the order in which the employee uses the leave and whether the employee may reserve a balance while on leave. Once an employee exhausts all of the accrued leave required, the employee may go on LWOP. If the employee is on LWOP at final cutoff for run 2 of the pay period, the employee is no longer eligible for donated hardship leave.

Sick and vacation leave will continue to accrue as long as the employee has enough paid regular hours to qualify for the accrual.

**COMPENSATORY AND STRAIGHT TIME ACCRUED**

The employee is not required to use accrued compensatory time. If the employee decides to use accrued comp or straight time, the hours are included in the hours counted towards FMLA or OFLA.

**DONATED LEAVE**

If the employee receives and uses donated hardship leave, use the DH Donated Leave pay code. First, establish the leave type and a balance on the P435 Leave Detail screen. Then, ensure that the employee has the DH hours recorded on the P004 or P003 Time Capture screen. See the Entering Donated Hardship Leave section above.

Do not add more DH hours than the employee will use. OSPA / LARS edits will prevent a negative balance. The hours will remain on the P435 screen until the employee uses them or payroll adjusts the balance to zero.

The DH balance will not be on employee pay stubs. It will be on the following reports (see Background Information below, Reports section):

- E512A, E512C FMLA/OFLA Leave Hours, if the DH entry includes a FMLA or OFLA special designator (see Special Designators for Leave Types in this section below)
- E460 Leave Accrual – Adjustments and Transfers
- B470C, B470CM, B470D Leave Accrual Register
- E492 Terminated Employees Having Leave Balances

You can use some special designators with the DH pay code; see Special Designators for Leave Types in this section below.

**LEAVE WITHOUT PAY**

Agency human resources may enter a leave of absence (with or without pay) code in Workday It interfaces to OSPA and displays in the LOA BEG DT / CD field on the P030 Job Status Data screen. When the employee returns to work, HR outdates the LOA code, which also displays on the P030 screen (LOA BEG DT / CD / END).
A LOA code without an END date on the P030 screen will impact leave hours entered on the P003 or P004 Time Capture screens. If on the P030 screen the LOA BEG DATE ≠ blank and the LOA END = blank or a future pay period and:

- The LOA CD is for a paid leave of absence, the TYPE must have a pay code with LV TYPE P, U, or W on the PTB2 Benefit Package Codes screen.
- If the LOA CD is for an unpaid leave of absence, the TYPE must have a pay code with LV TYPE U on the PTB2 screen.

See Screen Guides, PTB2.

**SPECIAL DESIGNATORS FOR LEAVE TYPES**

Some OSPA pay and leave codes accept an additional digit to indicate that the employee is on a special leave status. The designators that apply to the DH Donated Leave code include:

<table>
<thead>
<tr>
<th>Code</th>
<th>Used for</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>Hours taken under FMLA only, DHF</td>
</tr>
<tr>
<td>1</td>
<td>Hours taken under OFLA only, DH1</td>
</tr>
<tr>
<td>2</td>
<td>Hours taken under both FMLA and OFLA, not CBIW, DH2</td>
</tr>
<tr>
<td>3</td>
<td>Hours taken under both FMLA and CBIW, DH3</td>
</tr>
<tr>
<td>8</td>
<td>Hours taken under FMLA Military Caregiver Leave, DH8</td>
</tr>
<tr>
<td>9</td>
<td>Hours taken under FMLA Military Caregiver Leave and OFLA, DH9</td>
</tr>
</tbody>
</table>

For a full list, see Code Lists, Pay and Leave Codes, Special Code Designators.

**NET PAY NEGATIVE**

When an employee has LWOP or reduced hours, you may see a negative NET PAY amount on the P370 Current Pay Calculation screen or a NET PAY NEGATIVE message on the E120-042A, E120-052A, E122-042A, E122-046A or E122-056A Payroll Exception reports.

The following circumstances may create negatives:

- The employee is salaried. The employee reported LWOP after final payroll run 1. The employee received an overpayment based upon the forecast.
- The employee does not have enough pay to cover the premiums and any associated surcharges for the employee’s share of core PEBB insurances and/or optional insurances. See Payroll Processes, PEBB Benefits.
- The employee may have medical or dental insurance and associated surcharges for a domestic partner and/or the partner’s dependent children. The employee has not claimed them as tax dependents. The employee’s wages do not cover the tax liability for the imputed value of these
premiums and surcharges. See PEBB Benefits below, Required or Core Benefits, Domestic Partners section.

- The employee may have a fixed ADDL amount for FEDERAL and/or STATE withholding on the P010 Withholding / Retirement Info screen and the wages do not cover the additional amount withheld. Request a new W-4 from the employee to give you permission to delete the ADDL amount. See Payroll Processes, Income Taxes.

- The employee has some paid regular hours and the wages do not cover the employee’s existing voluntary deductions. Obtain written permission from the employee to delete deductions from the P070 Payroll Deductions screen. Especially look at fixed amount direct deposits and charitable contributions.

**PAYROLL PROCESS**

**PREREQUISITES**

An employee must request donated hardship leave before the employee exhausts all other leaves.

You may want to do the following to prepare for processing donated leave:

- Talk to the employee who is requesting donated leave:
  - Is the employee on FMLA or OFLA?
  - Is the employee in an ACA stability period?
  - What is the employee’s goal (or goals) for requesting the leave?
  - How long does the employee expect to be out?
  - Does the employee still have some accrued leave to use?
  - Will the leave be intermittent?
  - See the CHRO Donated Hardship Leave Toolkit, Leave Discussion Outline, [http://oregon.gov/DAS/HR/Pages/Donated.aspx](http://oregon.gov/DAS/HR/Pages/Donated.aspx)

- Gather data for the employee from the P030 Job Status Data screen, including
  - Whether the employee is part-time or full-time – PT-FT CD/PCT
  - Employee’s benefit package to determine if the employee is represented – BENEFIT PKG CD
  - Employee’s hourly rate of pay – EQUIVALENT RATE
• Identify the applicable PEBB rules for the type of LWOP the employee will take
• Review the applicable CBA provision or policy for the donated hardship leave
• If the CBA requires that the donated leave reimburse the agency for the employer paid PERS contributions, obtain the employee’s retirement information from the P010 Withholding / Retirement Info screen (see Background Information below, Screens section for additional information):
  ▪ RTMT SYST indicates the retirement plan
  ▪ RTMT STAT indicates whether the state or the employee pays the employee contribution

• Check the employee’s current leave balances on the P430 Leave Total screen and the employee’s time on the P002 or P007 Time Entry screens. Is the employee eligible for SL and VA accruals when leave accrual runs the next time? See Payroll Processes, Leave Accrual and Reporting.
Statewide Payroll Reference Manual

Payroll Processes

Donated Hardship Leave

- Get the employee’s current work schedule code from the P020 Work Schedule Data screen. If you do not know the schedule from the code, see the PTW1 Work Schedule Table screen or Code Lists, Work Schedule Codes.

See Background Information below, Screens section and Screen Guides for additional information on these screens.

**CURRENT PAY PERIOD DONATIONS**

An employee must request donated hardship leave before exhausting all other leave balances. Employees cannot go into and out of LWOP. Once the employee goes into LWOP status and that pay period closes, the employee is no longer eligible for donated hardship leave.

If the employee returns to work and has a new qualifying event, the employee can re-apply for donated hardship leave for the new leave period.

### Action


Start with the top portion of the worksheet, including:
- Recipient
- Hourly Rate -- EQUIVALENT RATE from the P030 screen
- EID (employee ID)
- FMLA – Y or N
- Prepared by
- Agency number
- Date

---

Questions? Contact the OSPS Help Desk
e-mail: OSPS.Help@oregon.gov
Telephone: 503-378-6777
Updated 03/09/2016
2. Next, check the P430 Leave Total screen for each employee who has donated leave. Make sure that the employee has a balance to cover the donation.

3. In the Donations portion of the Donated Hardship Leave worksheet, enter the following information for the donations from each employee:
   - Donor Employee ID
   - Donor Name
   - Type of Leave donated -- CT or VA
   - Number of hours of leave donated
   - @ Hrly Rate (donor’s EQUIVALENT RATE from the P030 screen)

   The spreadsheet has formulas that will convert the donated leave hours to a dollar amount (hours donated * hourly rate). The Total line for the Donations section will show the total dollar value for the leave hours donated.

4. See the PEBB Benefits section below and Payroll Processes, PEBB Benefits for guidance in looking up PEBB insurances and premiums.

   **NOTE:**
   The employee must continue to pay the employee’s share of the core insurance premiums and any applicable surcharges. See the Attachments section below for examples.
5. Make the following entries in the Donated Leave section of the worksheet:

   a. Scheduled Time -- The number of hours the employee would work if not on leave during the month. Use the employee’s work schedule code to determine the total number of hours for a full-time employee. If the employee is part-time, multiply the full-time hours by the employee’s FT-PT/PCT on the P030 screen.

   b. Hours Worked – Enter any hours the employee will work during the month.

   c. Paid Leave – Enter the number of accrued leave hours the employee will use for the pay period.

   d. Target DH Hours – the formula in the spreadsheet will subtract the Hrs Worked plus Paid Leave from the Scheduled Time. The result is the number of hours of donated leave that will give the employee full pay for the month.

   **Note:** if an employee is not on FMLA leave or under an ACA stability period, Hours Worked + Paid Leave + Donated DH Hours must be ≥ the regular paid hours required to make the employee eligible for PEBB benefits. See the PEBB Benefits section below.

6. If the Donated DH Hours > Target DH Hours, reduce the hours listed in the Donations section until the hours match as closely as possible.

   **Note:** A few CBA’s allow the agency to bank a maximum number of hours. Follow the applicable CBA guidelines.

7. For the receiving employee, establish the DH balance on the P435 Employee Leave Detail screen. Use the COMMENTS field to create an audit trail. Include applicable pay period and purpose.

   See the Entering Donated Hardship Leave section above and Payroll Processes, Leave Accrual and Reporting.

8. Make a negative entry on the P435 screen for each of the employees and leave types in the Donations portion of the worksheet. Use the COMMENTS field to create an audit trail. Include applicable pay period and purpose.

   Only accept the leave needed to cover the employee’s time for the current month.

   See the Entering Donated Hardship Leave section above and Payroll Processes, Leave Accrual and Reporting.

9. Review and make necessary PEBB entries:

   a. If the employee will have enough regular paid hours through hours worked, accrued leave and donated hours to be eligible for PEBB benefits, ensure that...
the employee has current entries on the P070 Payroll Deductions screen for PEBB medical, dental, vision and $5,000 pre-tax basic life insurance.

b. If the employee is on FMLA leave or covered under the ACA stability period and will not have the required number of paid regular hours, OSPA will not pay the PEBB premiums. Make one-time entries on the P070 screen for PEBB medical, dental, vision and $5,000 pre-tax basic life insurance.

c. If the following situation occurs:
   o The employee is not on FMLA or covered under the ACA stability period and
   o The employee does not receive enough donated hardship leave to:
      ✓ Give the employee enough regular paid hours to qualify for PEBB benefits

Do the following:
   o Delete the PEBB premiums from the Donated Hardship Leave worksheet, which will increase the Donated DH Hours for the employee
   o Enter a COBRA notice in PDB, which normally will outdate the PEBB deductions on the P070 screen.
   o Confirm that PDB outdated the deductions on the P070 screen. If needed, contact PEBB, Inquiries.PEBB@state.or.us

11. Ensure that the employee has time entered on the P003 or P004 Time Capture screen in OSPA or in ePayroll. You can apply any donated leave to the current pay period until cutoff for final run 2. If you receive additional leave after cutoff and the employee is still on paid leave and the employee wants and is eligible for additional donated leave, apply it to the next pay period. See the Entering Donated Hardship Leave section above.

12. For each payroll run, review the employee’s records for potential overpayments. See the Net Pay Negative section above.

13. Assist the agency’s FMLA / OFLA coordinator in tracking leave hours. See Background Information below, Reports section.

14. Monitor the receiving employee’s DH leave balance. OSPA will prevent a negative balance. Ensure the employee does not have more hours than the employee needs for the projected time off.

15. When the employee returns to work and is eligible, ensure that the P070 screen has ongoing PEBB deductions. See OAR 101-030-0015 (FMLA) or OAR 101-030-0020 (OFLA).
RETROACTIVE ENTRIES

Convert and apply donated leave as received, in date and time order. Apply the leave to the current pay period until cutoff for final run 2. If you receive leave after cutoff and the employee is still on paid leave and eligible for donated leave, apply the new donations to the next, open pay period.

If the employee returns to work and has a new qualifying event, the employee may re-apply for donated leave.

PEBB BENEFITS

A non-job-share employee, who is in a PEBB eligible position, must have at least 80 paid regular hours in a month to be eligible for PEBB insurance coverage in the next month. A job-share employee must have a least one paid regular hour. If the employee has less than the required number of paid regular hours, OSPA will not pay PEBB insurance premiums for that employee for coverage for the next month.

The employee may be eligible for continued PEBB coverage if:
- The employee is on protected FMLA leave and has not exhausted the benefit period
- The employee is in an ACA stability period
- The employee is on OFLA or LWOP and meets the following criteria:
  - After deducting any required reimbursements, has enough regular paid hours, including donated hardship leave, to qualify for PEBB benefits
  - Pays the employee’s share of core PEBB premiums and any associated surcharges

If the following situation occurs:
- The employee is not on FMLA or in an ACA stability period and
- The employee does not receive enough donated hardship leave to:
  - Give the employee enough paid hours to qualify for PEBB benefits

Do the following:
- Enter a COBRA notice in PDB, which normally will outdate the PEBB deductions on the P070 screen
- Confirm that PDB outdated the deductions on the P070 screen. If the deductions are still current, contact Inquiries.PEBB@state.or.us

See Payroll Processes, PEBB Benefits for making entries in OSPA.

REQUIRED OR “CORE” BENEFITS (MEDICAL, DENTAL, VISION, BASIC LIFE)

Under OAR 101-030-0015, if an employee is on FMLA, the employee is eligible for the required or core PEBB benefits, even if the employee is on LWOP. The agency continues to pay the employer’s share for the employee’s medical, dental, vision and basic life ($5,000 pre-tax) insurance. The employee must continue to pay his/her share of the premiums and any associated surcharges to continue the benefits.
Under OAR 101-030-0020, if an employee is on OFLA leave only, the state will continue to pay the employer’s share of the premiums for the employee’s PEBB required insurances if the employee has enough paid regular hours to meet PEBB eligibility requirements. It is a COBRA event for medical, dental, and vision coverage if the employee’s regular paid hours fall below the normal PEBB eligibility requirements or the employee does not pay the employee’s share of premiums and any associated surcharges.

**Domestic Partner Insurance**

Under federal and state tax law, health insurance benefits provided by an employer to an employee and the employee’s spouse or eligible dependents are not taxable to the employee. The employee may submit a PEBB Domestic Partner Certification for Dependent Tax Status to claim the employee’s domestic partner and/or the partner’s children as tax dependent(s). If the employee does not, the market or imputed value of the benefit for the domestic partner and/or the DP’s eligible children is taxable income to the employee.

Agency payroll makes a DPT (Domestic Partner Taxable) entry on the P050 Gross Pay Adjustments screen when an employee has medical and/or dental insurance coverage for a domestic partner and/or the DP’s children who are not tax dependents. This makes the imputed value of the premium taxable income and increases the employee’s federal (FIT) and state (SIT) income, social security and Medicare (FICA) taxes.

Agency payroll also make a DPS (Domestic Partner Surcharge) entry on the P050 screen if the employee pays surcharge(s) because the covered domestic partner:
- Could have obtained insurance through another employer plan or
- Reported the use of tobacco

The DPS entry makes the imputed value of the surcharge taxable income and increases the employee’s withholding for FIT, SIT and FICA.

If a job share or part-time employee has part-time medical insurance and out-of-pocket costs for the domestic partner insurance, the agency may also make a negative DPN (Domestic Partner non-Taxable) entry on the P050 screen. This reduces the employee’s taxable income by the out-of-pocket costs.

As long as the state is paying the employer’s share of the premiums for health and dental insurance and the DP and/or children are not tax dependents, the employee is financially responsible for the taxes on the DPT and DPS entries. If the employee does not have enough wages to cover the taxes, you will see a negative NET PAY on the P370 Current Pay Calculation screen and Exception Reports. The employee must pay the agency for the federal and state withholding and the employee’s share of social security and Medicare taxes.

**Opt Out**

If the employee opts out of medical coverage, the P070 screen will include deduction code OONN with plan code 001 or 002. If the employee opts out of medical and dental coverage, the P070 screen will include deduction code OHNN with plan code 001 or 002. If the employee has less than the required regular paid hours, do not force the OONN or OHNN deduction on the P070 screen. The employee is
not eligible for the insurance return dollars (IR on the P050 screen). The OONN or OHNN deduction triggers the IR payment.

If the employee opts out of medical coverage (deduction code OONN and plan code 001 or 002), the employee is still eligible for dental insurance while on FMLA protected leave.

If the employee is part-time and opts out of medical or medical and dental insurance, use the opt out amount for the Full-time Monthly Benefit Amount on the Insurance Force Entry worksheet. The worksheet has the current amounts. If the employee opts out of medical (OONN), the 2013 opt amount is $233.00. If the employee opts out of medical and dental (OHNN), the 2013 opt amount is $193.50. See the Attachments section below for an example of the worksheet.

**OPTIONAL BENEFITS**

The following PEBB Oregon Administrative Rules (OAR) provide information on the optional PEBB benefits the employee may continue:

- **101-030-0015 Continuation of Core Benefit Coverage for Employees Covered under the Federal Family Medical Leave Act (FMLA)**
- **101-030-0020 Continuation of Group Medical and Dental Insurance Coverage for Employees Covered under the Oregon Family Leave Act (OFLA) -- ORS 659A.150-186**
- **101-030-0027 Non-medical Leave Without Pay (LWOP) -- Continuation of Optional Insurance Plans**

If the employee uses accrued and/or donated hardship leave, the paid regular hours may cover the optional insurances. If the employee exhausts accrued and/or DH leave or the wages do not cover the premiums, the employee may self-pay to continue coverage. Force the premiums after you have received payment from the employee. Do not force deductions for flexible spending accounts; the employee pays the PEBB third-party administrator (TPA) directly. See Payroll Processes, PEBB Benefits.

**Standard Disability Insurance**

When the employee is eligible for FMLA and has short or long-term disability insurance, the employee may choose whether to use accrued sick leave or receive disability payments from Standard Insurance. If the employee elects to use sick leave, the employee may still receive a minimum monthly benefit from Standard.

If the employee receives disability payments under short or long-term disability coverage, Standard will notify your agency and waive the short and/or long-term disability premiums. If you receive notification, do not continue to force the premiums. If Standard approved the claim retroactively, refund the applicable premiums.

If the employee receives a disability payment from Standard and has regular paid hours for the same month, Standard may reduce the disability payment or require that the employee return it.

An employee who is on FMLA and receiving payments from a disability provider is not required to use any of his or her paid leave. The employee is still responsible for making his or her share of the premium payment and any surcharges related to their plan.
If a PERS Chapter 238 Program (Tier 1 and Tier 2) member has a “greater fraction of a month” on LWOP, the employee will not have PERS creditable service for that month. See State HR Policy 60.000.11 Leaves without Pay.

Currently, for PERS, donated hardship leave is not subject salary for the donating employee. It is subject salary for the employee who records taking donated hardship leave. OSPA will calculate both the employer paid and employee paid contributions. The hours also count toward the recipient’s retirement credits.

Any paid donated hardship leave the employee receives will affect the employee’s eligibility for PERS disability payments.
TAXES

Currently, the employee who **makes** a hardship leave donation does not realize income and is not subject to income tax withholding for the donated leave. OSPA includes the donated hardship leave hours paid to the **receiving** employee in the recipient’s gross income. It is subject to Medicare, social security, and federal and state income taxes. The state will not assume any tax liabilities that would otherwise accrue to the employee.

As long as the state is paying the employer’s share of the premiums for health and dental insurance for a domestic partner and/or the partner’s children and the DP and/or children are not tax dependents, the employee is financially responsible for the taxes on the imputed value of the insurance. If the employee does not have enough wages to cover the taxes, the employee must pay the agency for the federal and state withholding and the employee’s share of social security and Medicare taxes. See PEBB Benefits above, Required or Core Benefits, Domestic Partners section.

BACKGROUND INFORMATION

AUTHORITY / REFERENCES

Federal Regulations:

Oregon Revised Statutes, [https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx](https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx)
- Chapter 243 Public Employee Rights and Benefits
- 659A.150 to 659A.186 Oregon Family Medical Leave Act

Oregon Administrative Rules, [http://arcweb.sos.state.or.us/pages/rules/access/numerically.html](http://arcweb.sos.state.or.us/pages/rules/access/numerically.html)
- Chapter 101, Public Employees’ Benefit Board
- Chapter 839, Division 009, Oregon Family Medical Leave Act

State HR Policies, [http://oregon.gov/DAS/Pages/policieshr.aspx](http://oregon.gov/DAS/Pages/policieshr.aspx)
- 60.000.01 Sick Leave with Pay
- 60.000.05 Vacation Leave
- 60.000.10 Special Leaves with Pay
- 60.000.11 Leaves without Pay
- 60.000.15 Family and Medical Leave, including Toolkit
- 60.025.01 Donated Leave, including Toolkit

Collective Bargaining Agreements (CBA), [http://oregon.gov/DAS/HR/Pages/LRU.aspx](http://oregon.gov/DAS/HR/Pages/LRU.aspx)

Oregon Accounting Manual, [http://oregon.gov/DAS/Financial/Acctng/Pages/OAM.aspx](http://oregon.gov/DAS/Financial/Acctng/Pages/OAM.aspx)
CREATING AN AUDIT TRAIL

The following documents help create an audit trail for donated hardship leave. See the Attachments section below for examples of the Hardship Leave Worksheet and Insurance Force Entry Worksheet.


- **Insurance Force Entry Worksheet**, [http://oregon.gov/DAS/Financial/Payroll/Pages/processingtools.aspx](http://oregon.gov/DAS/Financial/Payroll/Pages/processingtools.aspx)


REPORTS

For additional information about these reports, see Report Guides.

**XREF76, XREF76C, Deduction Register Detail** – Available after each final payroll run, the report lists the employee name, deduction and plan code, and the amounts for each deduction code. XREF76C combines the deductions from both run 1 and run 2.
B055CC, B055RG Employee Time – Exception Report – Available after both preliminary and final run 1 and run 2, the reports list employees that have entered time that does not match the forecast.

E315-009A Employees Unqualified for State Pay Benefits – Distributed after each final payroll run, this report lists employees who have not met the criteria to qualify for PEBB core benefits and have PEBB deductions on the P070 Payroll Deductions screen. Employees with forced PEBB deductions will be included on this report.

E512A, E512C FMLA/OFLA Leave Hours – Available after each final payroll run 2, this report summarizes the FMLA or OFLA hours (hours entered with a FMLA or OFLA special designator, see Leave Codes above, Special Designators section) by employee and pay type for the pay period.

E460 Leave Accrual – Adjustments and Transfers – LARS produces this report after the monthly leave accrual process, which runs after payroll run 2 final. It lists the entries made on the P435 Employee Leave Detail screen since the last leave accrual, the reason for the adjustment, and the processing operator. Once the leave accrual program runs, the transactions will drop off the P435 screen. This report, along with the B470C, B470CM, B470D Leave Accrual Register, provides an audit trail of the entries.

B470C, B470CM, B470D Leave Accrual Register – LARS produces these reports after the monthly leave accrual process, which runs after payroll run 2 final. They summarize each employee’s leave usage and accrual during the pay period. They are a tool for payroll, accounting and managers to review the accuracy of entries and appropriateness of leave usage, to answer questions and to maintain an audit trail.

E315-009C Payroll Deduction Adjustment (F) – Distributed after every final payroll run, this report provides a list of employees who have entries on the P070 screen with ADJ = F (FMLA). See Payroll Processes, PEBB Benefits.


XREF43, XREF44, XREF45, or XREF46 Payroll Register – Available after each preliminary and final payroll run, these reports summarize labor and list deductions for each employee for a pay period and payroll run. Use them to identify the employee’s recorded hours and deductions. XREF44 and XREF46 combine the data from both run 1 and run 2, including any correctives.

XREF51 PEBB Insurance Exceptions – Available after each final payroll run 2, this report lists employees who are missing one or more of the required core PEBB insurances or who have exceptions. They are useful in checking entries when you force PEBB premiums.

B065A, B065C Timesheet Audit and Control Report – Available after every final payroll run, this report displays the employee’s time from the P003 or P004 Time Capture screen.

**SCREENS**
For additional information about any of these screens, see the Screen Guides.

**P002, P003, P004, P007 Time Capture Screens** – OSPA uses the time and leave on the P003 or P004 screen to determine if the employee is eligible for PEBB benefits for the next month. The P002 and P007 are inquiry screens that display the employee’s time for a given pay period.

**P010 Withholding / Retirement Info** -- Agency payroll makes entries in the RTMT SYST and RTMT STAT fields on the P010 screen to tell OSPA when to contribute to PERS for an employee and the percent to use in the calculation.

**RTMT SYST** -- The RTMT SYST on the P010 screen tells OSPA the following:
- If the employee is eligible for PERS contributions
- If eligible, the percent to use in calculating the employer and employee contributions

Possible values include:
- F -- OPSRP Police and Fire
- G -- OPSRP General Service
- L -- Legislator with the employee contribution deposited to a deferred compensation account
- N -- OSPA will not make either an employee or an employer PERS contribution. Default.
- P -- Judge Member
- S -- PERS, tier 1 or tier 2 General Service
- T -- PERS, tier 1 or tier 2 Police and Fire

**If there is a value other than N or L in the RTMT SYST field, OSPA will make employer contributions on behalf of the employee.**

**RTMT STAT** -- The RTMT STAT field on the P010 screen tells OSPA the following:
- Whether the employee is eligible for the employee’s contribution to PERS
- If so, who will pay

Possible values include:
- D -- State pays or picks-up employee contribution
- E -- Employee pays employee contribution
- N -- OSPA will not make an employee contribution
- P -- OSPA will not make an employee contribution

**If the RTMT SYST field is N, OSPA will not make an employee contribution, even if the RTMT STAT value is D or E.**

For current PERS rates, see Payroll Processes, Public Employee Retirement System.

If the CBA requires that the donated leave reimburse the agency for agency paid PERS contributions, include the employer contribution, if paid, and the employee contribution if the state picks up the employee contribution on the Donated Hardship Leave worksheet.

**P030 Job Status Data** – The P030 is an inquiry only screen that displays the data entered in Workday.

**PT-FT CD/PCT** -- indicates if the employee is part-time or job share and the percent of full-time.
LOA BEG DT / CD / END -- A LOA code without an END date on the P030 screen will impact leave hours entered on the P003 or P004 Time Capture screens. If on the P030 screen the LOA BEG DATE ≠ blank and the LOA END = blank or a future pay period and:
   o The LOA CD is for a paid leave of absence, the TYPE must have a pay code with LV TYPE P, U or W on the PTB2 Benefit Package Codes screen
   o If the LOA CD is for an unpaid leave of absence, the TYPE must have a pay code with LV TYPE U on the PTB2 screen

P070 Payroll Deductions -- Agency payroll enters payroll deductions, such as charitable contributions, mass transit and parking, union dues, and wage withholding orders, on the P070 screen. The interfaces from PEBB “dot” benefits (PDB), the Charitable Fund Drive (CFD) and the Oregon Savings Growth Plan (OSGP) also create deductions on the P070 screen. The entries may be one-time or ongoing. They are by pay period. Agencies use this screen to force PEBB premiums for eligible employees with LWOP.

P191 Payroll Register Summary -- This screen displays the pay registers for an employee for the pay periods listed on the P190 Payroll Register Data screen in run, register set and concurrent job number order. OSPA updates the screen after each final payroll run.

P192 Payroll Register Listing -- This screen displays the payroll register detail for a designated employee by pay period and payroll run. OSPA updates the screen after each final payroll run and maintains the data for the pay periods listed on the P190 screen.

P370 Current Pay Calculation-- An on-line calculation that displays payment information from entries made since the last final payroll run.

P430 Employee Leave Total – The P430 is an inquiry only screen that summarizes all of the employee’s leave balances. A leave transaction entered on the P003 or P004 Time Capture, P435 Employee Leave Detail or the P050 Gross Pay Adjustments (with RATES and UNITS) screen will change the balance of the applicable leave on the P430 screen as soon as you save the transaction. The P430 screen is agency and CCJ specific.

P435 Employee Leave Detail -- Agency payroll uses the P435 screen to create and update an employee’s leave balances manually. The screen also displays leave activity entered on the P003 and P004 Time Capture and the P050 Gross Pay Adjustments (with RATES and UNITS) screens. The transactions drop off the P435 screen after the next leave accrual.

PTB1 Benefit Package Tbl and PTB2 Benefit Package Codes – The Payroll Benefit Package Table determines the pay and leave codes available to an employee with a specific benefit package. It also defines business rules and controls for PEBB benefits and for the pay and leave codes in the benefit package. PSS enters data through the ADB1 and ADB2 screens. Agency payroll can view them on the PTB1 and PTB2 screens.

PTD1 Payroll Deduction Table, PTD2 Payroll Ded/Plan Codes and PTD3 Payroll Ded/Plan Fees – Agency staff members have inquiry access to the PTD1, PTD2 and PTD3 screens to view deduction and plan codes. PSS staff members enter them on the ADD1, ADD2 and ADD3 screens. The deduction codes must be on the PTD1 and the plan codes must be on the PTD2 screen before you can enter them on the P070 screen.
REVISION HISTORY

<table>
<thead>
<tr>
<th>Date</th>
<th>Rev. No.</th>
<th>Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/28/10</td>
<td>1.0</td>
<td>Original, separated from Family and Medical Leave Handbook; WR#3737 DH leave code; WR#3722 PEBB 2011; changes to Donated Hardship Leave worksheet.</td>
</tr>
<tr>
<td>06/25/13</td>
<td>1.1</td>
<td>PEBB moved from DAS to OHA; WR#3859, PEBB 2012; WR#3978, 3982-3986, PEBB 2013; WR#3820, screen title changes; DAS, web and manual re-org; WR#3760, XREF51 name change; additional information on the effect of the P030 LOA code.</td>
</tr>
<tr>
<td>6/30/15</td>
<td>1.2</td>
<td>Removed section on other payroll costs as well as attachments referencing OPE.</td>
</tr>
<tr>
<td>05/13/16</td>
<td>1.3</td>
<td>Updated web links.</td>
</tr>
</tbody>
</table>

ATTACHMENTS

Attachments include samples of the following:

- Hardship Leave Worksheet example
- PEBB Worksheet example for forcing Part time benefits:
- Memo from receiving agency to donating agency
## Donated Hardship Leave Worksheet Example

### Donated Hardship Leave Worksheet Example

<table>
<thead>
<tr>
<th>Recipient:</th>
<th>First name Last name</th>
<th>Request:</th>
<th>Hourly Rate:</th>
<th>From P030</th>
</tr>
</thead>
<tbody>
<tr>
<td>EID:</td>
<td>OR##########</td>
<td>Branch:</td>
<td>32.23</td>
<td></td>
</tr>
<tr>
<td>Prepared by:</td>
<td>Payroll Tech</td>
<td>Agency:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Donations**

<table>
<thead>
<tr>
<th>Donor EID</th>
<th>Donor Name</th>
<th>Lve Type</th>
<th>Hrs. Donated</th>
<th>Hourly Rate</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>OR##########</td>
<td>Tom</td>
<td>VA</td>
<td>10.00</td>
<td>24.00</td>
<td>240.00</td>
</tr>
<tr>
<td>OR##########</td>
<td>John</td>
<td>VA</td>
<td>10.50</td>
<td>11.79</td>
<td>123.80</td>
</tr>
<tr>
<td>OR##########</td>
<td>Gary</td>
<td>CT</td>
<td>6.25</td>
<td>13.32</td>
<td>83.25</td>
</tr>
<tr>
<td>OR##########</td>
<td>Pete</td>
<td>VA</td>
<td>25.00</td>
<td>40.39</td>
<td>1,009.75</td>
</tr>
<tr>
<td>OR##########</td>
<td>Mary</td>
<td>VA</td>
<td>7.00</td>
<td>36.70</td>
<td>256.90</td>
</tr>
<tr>
<td>OR##########</td>
<td>Debbie</td>
<td>VA</td>
<td>36.00</td>
<td>13.24</td>
<td>476.64</td>
</tr>
<tr>
<td>OR##########</td>
<td>Kent</td>
<td>CT</td>
<td>9.00</td>
<td>17.29</td>
<td>155.61</td>
</tr>
<tr>
<td>OR##########</td>
<td>Clem</td>
<td>VA</td>
<td>26.00</td>
<td>34.93</td>
<td>908.18</td>
</tr>
<tr>
<td>OR##########</td>
<td>Dominique</td>
<td>VA</td>
<td>41.00</td>
<td>51.50</td>
<td>2,111.50</td>
</tr>
<tr>
<td>OR##########</td>
<td>Jodi</td>
<td>VA</td>
<td>11.50</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subtotal: 182.25 243.16 5,365.63 5,365.63

### Donated Sick Leave

<table>
<thead>
<tr>
<th>Employee ID</th>
<th>Scheduled Time</th>
<th>Hrs Worked</th>
<th>Paid Leave</th>
<th>Target DH Hours</th>
<th>DH Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>OR##########</td>
<td>176.00</td>
<td>-</td>
<td>16.00</td>
<td>160.00</td>
<td>166.48</td>
<td></td>
</tr>
</tbody>
</table>

DH Hours Needed / Available This PPE: 160.00
DH Hours Remaining: 6.48
# Insurance Force Entry Worksheet, Part-Time

## Compute ER Cost

Enter ER and EE rates in cells to right. Then, enter ER cost in one of the following:

- a) Job Share EE- Cell C11
- b) Part Time EE- Cell C17

**REMEMBER:** Enter VSNN Vision ONLY if EE chooses full time Statewide or Providence Medical Plan.

Part time EEs receive an extra contribution for actual hours worked over 80 in the month. Complete cells G20 and G25.

**Use Only if EE Opt Out**
Enter applicable opt out dollar amount, provided below, into ER Cost cells C11 or C17.

### Medical Only:
- IR (P050): $233.00
- OONN (P070): $154.00

### Medical & Dental:
- IR (P050): $193.50
- OHNN (P070): $193.50

**IMPORTANT:** EEs on LWOP are not eligible for opt out dollars.

## Verify insurance plans and plan codes to ensure accuracy of calculations.

<table>
<thead>
<tr>
<th>Employer (ER) 95%</th>
<th>Rate</th>
<th>Plan Code</th>
<th>Employee (EE) 5%</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td>$1,293.49</td>
<td>KMNN BBB/102/02</td>
<td>Medical</td>
<td>$68.08</td>
</tr>
<tr>
<td>Dental</td>
<td>$95.95</td>
<td>WDNN BBB/102/02</td>
<td>Dental</td>
<td>$5.05</td>
</tr>
<tr>
<td>Vision</td>
<td>-</td>
<td>VSNN BBB/102/02</td>
<td>Vision</td>
<td>-</td>
</tr>
<tr>
<td>Life</td>
<td>$0.95</td>
<td>SLNN 001/101</td>
<td>Life</td>
<td>$0.05</td>
</tr>
</tbody>
</table>

### ER Cost

**Job Share Employees Only**

<table>
<thead>
<tr>
<th>ER Cost</th>
<th>% FTE</th>
<th>Monthly Benefit Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,390.39</td>
<td>50%</td>
<td>$695.195</td>
</tr>
</tbody>
</table>

### Part Time Employees

**NOTE:** For part-time employees, 50% of the employer contribution is earned as soon as 80 hours are worked, regardless if 80 hours is actually 50% of the available full-time.

- **ER Cost:** $1,390.39
- **% FTE:** 50%

### Part Time Medical Plans

Only Choose Flat Subsidy tier from drop down menu

<table>
<thead>
<tr>
<th>Flat Subsidy Tier</th>
<th>Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA/101</td>
<td>$373.48</td>
</tr>
<tr>
<td>BBB/102/02</td>
<td>$489.17</td>
</tr>
<tr>
<td>CCC/103/03/05</td>
<td>$426.91</td>
</tr>
<tr>
<td>DDD/104/06/08/07</td>
<td>$498.34</td>
</tr>
</tbody>
</table>

**PT & JS Flat Subsidy for Part Time Medical Plan**

Flat Subsidy for Part Time Medical Plans = <Drop Down Menu> $-

### Total Employer Benefit

<table>
<thead>
<tr>
<th>Monthly Benefit</th>
<th>Subsidy if applicable</th>
<th>Total ER Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$775.410</td>
<td></td>
<td>$775.410</td>
</tr>
</tbody>
</table>

### Final Calculations

<table>
<thead>
<tr>
<th>ER Cost (E38)</th>
<th>CONTRIBUTION (E39) = EE Cost (E40)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,390.39</td>
<td></td>
</tr>
</tbody>
</table>

- ER Contribution: $775.41
- EE 5%: $73.18

EE Out of Pocket: $614.98

$30 or $40 F/T Med CBA Subsidy: $-

Revised EE out of pocket: $-

Questions? Contact the OSPS Help Desk  
e-mail: OSPS.Help@oregon.gov

Page 26  
Updated 03/09/2016
SAMPLE MEMO – DONATIONS FROM ONE EXECUTIVE BRANCH AGENCY TO ANOTHER

INTEROFFICE MEMORANDUM

TO: RECEIVING AGENCY’S PAYROLL OFFICE
FROM: DONATING AGENCY’S PAYROLL OFFICE
SUBJECT: HARDSHIP LEAVE DONATIONS, FIRSTNAME LASTNAME, EMPLID
DATE: MM/DD/YYYY

I have converted all of the hardship leave for our agency’s employees who are donating leave to Firstname Lastname, EmplID. The total amount is $####.##.

Please give me Firstname Lastname’s cost coding. When our accounting office has entered the transfer, I will send you the BT number and the coding block I have completed for our agency’s side of the transfer.

In the meantime, I will process the leave for our agency’s employees.