Voluntary Cost Savings Program
Frequently Asked Questions

GENERAL

- **Q1: What is a Voluntary Cost Savings Program?**

  The Voluntary Cost Savings (VCS) Program has been created as a tool for an appointing authority to reduce costs. A VCS program provides 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.

- **Q2: Does this FAQ apply to both exempt and bargaining unit employees?**

  Generally, the VCS program for exempts and the VCS program for bargaining unit employees are implemented and operated similarly. There are a few distinctions between the two programs however, and an attempt has been made to highlight those distinctions throughout this document.

- **Q3: What is the authority for the establishment of a VCS Program?**

  Exempt employees: ORC 124.392 and OAC 123:1-34-10
  OCSEA employees: Appendix R
  1199 employees: Article 40
  OEA employees: Appendix K

IMPLEMENTATION

- **Q1: How does an agency develop a VCS Program for its employees?**

  EXEMPT EMPLOYEES: Prior to implementation, the agency must notify the Administrator of the DAS/HRD, Office of Policy Development of its intent to establish and implement a VCS program. This notice must include: 1) a description of the proposed program including which leave options the agency will offer to its employees; 2) a description of the program's compliance with OAC 123:1-34-10; 3) the approximate number of employees eligible to participate in the program; 4) a copy of the proposed program agreement; and 5) the anticipated duration and availability of the proposed program.

  BARGAINING UNIT EMPLOYEES: Agencies seeking to establish and implement a VCS program that covers eligible bargaining unit employees must also meet with their agency labor-management committee to discuss their intent. Such plans shall be considered "pilot programs," and will expire at the same time the applicable labor agreement expires.

- **Q2: What program options are available to the appointing authority?**

  EXEMPT EMPLOYEES: An appointing authority may propose a program that allows full-time permanent employees to reduce their hours worked by 8-40 hours per pay period (up to 520 hours or for a total of 6 months) and/or a program that allows full-time or part-time permanent employees to take unpaid leaves of absence for 2-13 week periods.

  BARGAINING UNIT EMPLOYEES: VCS programs that cover bargaining unit employees must offer both options.

ELIGIBILITY

- **Q1: Who is eligible to participate in the VCS Program?**

  EXEMPT EMPLOYEES: Depending on which program option the appointing authority adopts, full-time or part-time permanent employees who are paid by warrant of the auditor of state and have successfully completed an initial or promotional probationary period may be eligible to participate in the program.

  BARGAINING UNIT EMPLOYEES: Full-time, part-time, and established-term bargaining unit employees are eligible and must have successfully completed an initial probationary period.

- **Q2: Can an agency require an employee to participate in the VCS Program?**

  No, participation in the VCS program is strictly voluntary.

EMPLOYEE REQUESTS

- **Q1: How does an employee request participation in a VCS program?**

  Employees must complete the agency's "Voluntary Cost Savings Plan Agreement" form and submit the signed form to their appointing authority within 30 days prior to the commencement of the leave or the reduction in hours. The appointing authority may authorize a minimum of fewer than 30 days advanced notice.

- **Q2: Does an employee have to exhaust his/her leave balances prior to participating in a VCS program?**

  No, employees are not required to exhaust their accrued leave balances prior to reducing their work hours and/or using leave without pay.

- **Q3: Who is responsible for reviewing and approving the VCS program participation request?**

  The appointing authority shall review the request and notify the requesting employee of the status of the request no later than 7 calendar days before the date of the leave of absence or the implementation of the reduced schedule.

- **Q4: Will a personnel action form need to be completed?**

  Yes, a personnel action form will need to be completed for those employees granted an unpaid leave of absence pursuant to the program. Agencies should use the LOA/VCS action reason code for these employees. A personnel action form will not need to be completed for those employees who reduce their hours worked pursuant to the program, however agencies should use the PLA/VCS action reason code for these employees.

- **Q5: Will an employee's VCS program participation need to be noted on their history screen?**

  Yes, if an employee is granted an unpaid leave of absence pursuant to the program, the leave should be noted on the employee's EHOC screen, along with the beginning and ending dates of the leave. Employees who reduce their hours worked pursuant to the program should not have the reduction in hours noted on their EHOC screen.

- **Q6: Must an employee justify their use of the VCS program?**

  No, in reviewing an employee's request for VCS leave, the appointing authority should consider only the fiscal and operational needs of the work unit or other parts of the agency and the impact the leave will have on that work unit or other parts of the agency.

- **Q7: May employees grieve or appeal the denial of a VCS program participation request?**

  No, VCS denials are neither grievable nor appealable.

- **Q8: Who develops the employee's new work schedule? Who performs the duties of the employee who is participating in a VCS program?**

  The new schedule is proposed by the employee and reviewed/approved by the immediate supervisor and should not result in overtime or other additional expenses. The employee's duties are distributed among those within the appropriate classification and are made pursuant to applicable collective bargaining provisions.

  NOTE: The applicable collective bargaining agreements do not specify timeframes for the request or the approval.

BENEFITS WHILE ON VCS LEAVE

- **Q1: Does participation in a VCS program affect an employee's retirement benefits? Does the employee continue to receive PERS service credit?**

  As is the case with other unpaid leaves of absences, if the VCS leave occurs during the employee's "high 3," the employee's earnings are reduced, thereby resulting in a reduction in the employee's annuity. So long as the employee continues to possess an earnable salary of $250/month, the employee meets the eligibility requirements to continue to receive PERS service credit. An employee who is enrolled in a retirement system other then PERS should consult their retirement system to determine the potential effects that participation in a VCS program may have on their retirement benefits.

- **Q2: Does participation in a VCS program affect an employee's health insurance benefits?**

  Full-time employees who reduce their hours worked shall maintain full-time status for purposes of health care coverage, benefits and premiums. Part-time employees who reduce their hours worked may be affected by participation in a VCS program, since a part-time employee's benefit tier level is calculated on the basis of the average number of hours the employee worked. Employees who participate in either VCS program option are responsible for their share of premiums for

all insurance programs in which the employee is enrolled at the time of leave. Under both options, the state shall maintain the employer's share of the premiums during utilization of the program.

- **Q3: Does participation in a VCS program affect an employee's participation in a flexible spending account?**

  By taking an unpaid leave of absence or changing his/her work schedule, the employee is considered to have experienced a qualified life event and must complete the Enrollment/Change form located on the benefits website. An employee who takes an unpaid leave of absence may either: 1) terminate participation. The employee will have access to the annual amount selected through the date of termination of participation and expenses incurred during that time may be submitted for reimbursement. No expenses incurred after termination of participation may be submitted for reimbursement; or 2) catch up payments upon return to work. After the employee returns to work and the payments are caught up, he/she may submit expenses incurred after the last amount was withheld and before the end of the plan year for reimbursement.

- **Q4: Is an employee's continuous service time or retention points/seniority affected by participation in a VCS program?**

  No, employees who reduce their hours worked do 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 do 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. Bargaining unit employees will not experience a break in seniority as long as they return to employment.

- **Q5: Is an employee's leave accrual affected by participation in a VCS program?**

  Yes, employees who reduce their hours worked 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 do not accrue any vacation or sick leave while in inactive pay status.

  EXEMPT EMPLOYEES: An exempt employee's personal leave accrual is not affected by VCS leave.

  BARGAINING UNIT EMPLOYEES: A bargaining unit employee's personal leave accrual is affected by VCS leave.

- **Q6: Does the employee's participation in a VCS program affect his/her eligibility to receive holiday pay?**

  Yes, employees who use VCS leave on a work day immediately preceding a holiday are not eligible to receive holiday pay. Additionally, because a part-time permanent employee receives holiday pay on a pro-rated basis—based upon the daily average of actual hours worked in the previous calendar quarter—a part-time permanent employee's use of VCS leave may negatively affect his/her eligibility to receive holiday pay.

- **Q7: Who is responsible for ensuring an employee's deductions are made while the employee is participating in a VCS program (e.g., health insurance, credit union, supplemental life insurance, garnishments, etc.)**

  It is the employee's responsibility to make arrangements for any deductions from their paychecks.

- **Q8: Are employees who participate in a VCS program eligible for unemployment compensation?**

  No, VCS is a voluntary program. As such, employees do not meet the eligibility requirements for unemployment compensation.

- **Q9: Can a person participating in a VCS program take advantage of open enrollment?**

  Yes, employees utilizing VCS leave may make changes to their insurance during open enrollment.

TERMINATION

- **Q1: May an employee or agency terminate an employee's participation in a VCS program?**

  Unless mutually agreed to otherwise by the employee and the appointing authority, an employee or an agency may terminate a VCS program agreement by providing 10 working days notice in writing to the other party.

- **Q2: What if an employee is injured or becomes ill while participating in a VCS program?**

  An employee maintains their right to cancel VCS leave and use other appropriate leave programs such as FMLA, sick leave, disability, etc., if they meet the eligibility pursuant to these program guidelines.

- **Q3: Once an agency offers a VCS Program to its employees, are they entitled to terminate the program?**

Yes, the appointing authority can withdraw the program options available to employees. Programs covering bargaining unit employees require 30-days advance notice to the applicable union prior to such termination.

MISCELLANEOUS

- **Q1: Where does the saved money go?**

  The money saved is kept at the agency and the appointing authority or designee determines how the savings is distributed.

- **Q2: Can an employee on non-VCS unpaid leave participate in a VCS program a few hours a pay period to sustain insurance?**

  No, the intent of the VCS program is to generate savings. Utilizing VCS leave in this manner would increase costs. Additionally, the purpose of the leave is not to allow employees to utilize VCS leave instead of using more appropriate leave.

- **Q3: Does participation in a VCS program extend an employee's probationary period?**

  EXEMPT EMPLOYEES: Exempt employees are not eligible to participate in a VCS program until they have successfully completed their initial or promotional probationary period.

  BARGAINING UNIT EMPLOYEES: If the employee's absence is fourteen consecutive days or longer, the agency can extend the employee's probationary period by a period equal to the employee's leave.

- **Q4: Does participation in a VCS program affect an employee's discipline retention schedule?**

  Yes, leave of absences greater than 14 consecutive days may extend the length of time disciplinary actions may be retained in an employee's personnel file pursuant to section 123:1-46-07 of the Administrative Code and applicable sections of the collective bargaining agreements.

- **Q5: If an employee is out for a VCS leave of absence in excess of 30 days, does this impact the employee's two-year auto certification?**

  Because VCS leave does not exceed the six month cap established by section 123:1-10-01(C) of the Administrative Code, an employee is entitled to be credited with continuous service time for the entire period the employee spends on an approved VCS leave of absence. So long as the employee returns to employment, the employee's VCS leave does not impact the employee's two-year auto certification. However, if an open competitive examination is available during the employee's leave of absence and the employee does not participate in the examination or is not certified for any other reason, then the employee is not eligible for automatic certification.

- **Q6: Can an employee apply for job openings while participating in a VCS program?**

  Yes. However, it is not the employer's responsibility to notify employees on leave of job openings.

If you have additional questions related to the implementation or use of a Voluntary Cost Savings Program, please do not hesitate to contact the Office of Policy Development at (614) 466-3463 or the Office of Collective Bargaining at (614) 466-0570.

Voluntary Cost Savings Program Agreement

SAMPLE AGREEMENT

Employee's Name:	**Employee's Status:** [ ] Exempt [ ] Bargaining Unit
Division/Institution/Office:	
Estimated Cost Savings.....**$**_____ (hourly rate including fringe costs, multiplied by number of hours in VCS plan)	

In accordance with section 123:1-34-10 of the Administrative Code, I am voluntarily requesting to participate in the following VCS plan:

[ ] Reduction of Hours (full-time employees only)

I agree to a reduced work schedule beginning _____ (date) and ending _____ (date).
I understand that my supervisor and I must agree in writing on my work schedule.

[ ] Unpaid Leave of Absence (Minimum 2 weeks – Maximum period of 13 weeks)

I agree to take an unpaid leave of absence beginning _____ (date) and ending _____ (date).

Cancellation Policy: An agreement under this program can be terminated by the department upon ten (10) working days' notice in writing to the employee. Such termination shall not be grievable/appealable. The employee may terminate this agreement upon ten (10) working days' notice in writing unless mutually agreed to otherwise.

I hereby acknowledge that I am NOT eligible to receive unemployment while participating in this program.

Employee Signature: _____ **Date**: _____

FOR AGENCY USE ONLY:	
Date Received:	**[ ] Approved** **[ ] Denied**
Comments:	
Date:	
Appointing Authority Signature:	