



STATE OF OKLAHOMA
OFFICE OF PERSONNEL MANAGEMENT

"Serving Equal Opportunity Employers"

OPM 04-02

DATE: January 6, 2004

TO: All Appointing Authorities

FROM: Oscar B. Jackson, Jr., Administrator and
Cabinet Secretary of Human Resources and Administration

A handwritten signature in black ink, appearing to read "Oscar B. Jackson, Jr.", is placed over a light gray rectangular background.

RE: Calculation of Excess Benefit Allowance

Effective January 1, 2004, a change has been made in the way that the Excess Benefit Allowance is calculated in the payroll system. In the past, Excess Benefit Allowance was calculated by subtracting the cost of the four basic benefits (health, basic life, dental and disability) purchased for the employee from the flexible benefit allowance. In consultation with the Office of the Attorney General, it has been determined that the Excess Benefit Allowance is more appropriately calculated by subtracting the cost of all benefits purchased (including both additional employee purchases such as vision plans and supplemental life insurance, and dependent benefits) from the flexible benefit allowance. This change will be made in the payroll system. Agencies will not need to take any action to effect this change.

Although there are several changes to payroll calculations in 2004 that may affect employees' take home pay, the change in the Excess Benefit Allowance calculation, with rare exception, will not affect take home pay.

If you have questions or require additional information, please contact your agency payroll coordinator.

*"We serve the people of Oklahoma by delivering reliable and innovative
human resource services to our partner agencies to achieve their missions."*