

**NEW YORK STATE DEPARTMENT OF CIVIL SERVICE  
ATTENDANCE AND LEAVE MANUAL  
POLICY BULLETIN NO. 2011-06**

**Section 26.3**

**November 2011**

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TO: State Departments and Agencies  
FROM: Blaine Ryan-Lynch, Director of Staffing Services  
SUBJECT: Implementation of the PEF Productivity Enhancement Program for 2012

The Productivity Enhancement Program (PEP) for 2012 allows eligible PEF-represented employees in the Executive branch to exchange previously accrued annual leave (vacation) and/or personal leave in return for a credit to be applied toward their employee share NYSHIP premiums on a biweekly basis. Attached please find the Program Description and the enrollment form for the 2012 PEP Program.

The starting and ending dates of the PEP program for 2012 are detailed in the Program Description. The enrollment period for 2012 will be open through Monday, December 5, 2011.

Implementation of the program will require action on the part of agency personnel officers, agency timekeepers, and agency health benefits administrators. Specifically, agency personnel officers will be responsible for (1) providing interested employees with program descriptions and enrollment forms; (2) verifying employee eligibility to participate; and (3) notifying timekeepers and health benefits administrators of participant enrollments and separations from service. Agency timekeepers will be responsible for adjusting the vacation and/or personal leave balances of participants upon enrollment. Questions regarding employee eligibility and leave transactions (with the exception of questions pertaining to Institution Teachers) should be directed to the Attendance and Leave Unit of the Department of Civil Service at (518) 457-2295. Questions regarding Institution Teachers should be directed to the employee's central personnel office.

Agency health benefits administrators (HBAs) are responsible for processing the Health Insurance Premium Contribution Credit (HIPCC) for PEP enrollees. The Employee Benefits Division will be issuing a separate document with specific instructions for HBAs. Questions regarding health insurance transactions should be directed to your agency's processor in the Employee Benefits Division Operations Unit.

Attachments: PEP Program Description  
Institution Teachers Appendix  
Enrollment Form

## 2012 PRODUCTIVITY ENHANCEMENT PROGRAM (PEP) DESCRIPTION

### OVERVIEW

The Productivity Enhancement Program (PEP) for 2012 allows eligible PEP-represented, employees in the Executive branch to exchange previously accrued annual leave (vacation) and/or personal leave in return for a credit to be applied toward their employee share NYSHIP premiums on a biweekly basis. In no case can the credit available under the program be applied to the employer share of NYSHIP premiums.

Institution teachers employed by the Department of Corrections and Community Supervision, the Office of Children and Family Services, the Office of Mental Health, and the New York State Schools for the Deaf and the Blind will participate in accordance with the guidelines contained in the “Institution Teachers Appendix” to this document. All other eligible employees will participate as described below.

The program will be available for the entire calendar year in 2012. Full-time employees who enroll in the program will forfeit a total of either 3 days (22.5 or 24 hours for 37.5 and 40 hour workweeks, respectively) or 6 days (45 or 48 hours for 37.5 and 40 hour workweeks, respectively) of annual and/or personal leave standing to their credit at time of enrollment in return for a credit of up to either \$500 or \$1000, respectively, for the 2012 program year to be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks during the program year.

In order to facilitate coordination of this PEP credit with introduction of the new health insurance rates, the 2012 PEP program year will be covered by the dates specified below:

Program Year	Employee’s Payroll Cycle	Paychecks Issued Between:	# Paychecks
<b>2012</b>	Administration Lag	01/04/12 through 12/19/12	26
	Administration Current	12/21/11 through 12/05/12	26
	Institution Lag	12/29/11 through 12/13/12	26
	Institution Current	12/15/11 through 11/29/12	26
	Triple Lag	01/12/12 through 12/27/12	26

As discussed below under “Eligibility,” part-time employees who meet the eligibility criteria for the program will be allowed to participate on a prorated basis during 2012.

Once enrolled for the program year, employees continue to participate for that program year unless they separate from State service, **(unless their separation is the result of a layoff and they are placed on a preferred list)**, or cease to be NYSHIP contract holders. Leave forfeited in association with the program will not be returned, in whole or in part, to employees who cease to be eligible for participation in the program.

The full leave forfeiture will be deducted from participants’ leave balances at the time of enrollment.

During any program year in which an employee participates, the health insurance premium contribution credit established upon enrollment in the program will be adjusted only if the employee moves between individual and family coverage under NYSHIP during that program year. Therefore, once an employee enrolls for that program year, any subsequent changes in employment percentage during the program year will have no impact on the health insurance premium contribution credit.

Disputes arising from this program are not grievable. This pilot program will sunset on December 31, 2015 for PS&T Unit employees unless extended by mutual agreement of the parties.

## **ENROLLMENT**

The enrollment period for 2012 will be open through Monday, December 5, 2011.

All interested employees will be required to submit an enrollment form for each program year in which they wish to participate.

## **ELIGIBILITY**

In order to enroll an employee must:

- Be a classified or unclassified service employee in the Executive branch in a title below Salary Grade 25 or equated to a position below Salary Grade 25;
- Be an employee covered by the 2011-2015 New York State/PEF collective bargaining agreement;
- Have a minimum combined balance of annual and personal leave of at least 8 days after making the forfeiture; and
- Be a NYSHIP enrollee (contract holder) in either the Empire Plan or an HMO at the time of enrollment.

### *Part-Time Employees*

Eligible part-time employees may participate on a prorated basis. Part-time annual-salaried employees who meet these eligibility requirements will be eligible to participate on a prorated basis in accordance with their payroll percentage. Additional hours that these employees work beyond their payroll percentage are not counted for this purpose. In cases where the payroll percentage of these employees results in a leave forfeiture that is not a quarter-hour increment, the leave forfeiture should be rounded to the nearest quarter-hour (rounding up when the resulting figure is exactly between two quarter-hour increments).

Part-time hourly and per diem employees who meet the eligibility requirements may participate on a prorated basis in accordance with their employment percentage. In cases where the work schedules of such employees fluctuate, agencies should contact the Attendance and Leave Unit of the Department of Civil Service at (518) 457-2295 for guidance in determining the appropriate employment percentage. The same rounding

principles described above for part-time annual-salaried employees should be applied to these employees.

#### *Voluntary Reduction in Work Schedule (VRWS)*

Employees on Voluntary Reduction in Work Schedule (VRWS) agreements who elect to participate in the program do so as full-time employees. If eligible, they exchange the appropriate number of full-time days of annual and/or personal leave for the maximum health insurance premium contribution credit allowable under the program (up to either \$500 or \$1000 in 2012). In 2012 the forfeiture for full-time employees is either 3 full days (22.5 or 24 hours) or 6 full days (45 or 48 hours).

#### *Re-employed Retirees*

Retired New York State employees who have returned to work must meet all the eligibility criteria for participation in the program and must have the employee share of their NYSHIP health insurance premium deducted from their biweekly paycheck. Re-employed retirees who retain retiree status for health insurance purposes are not eligible to participate.

### **CALCULATION OF PEP CREDIT**

For the 2012 program year, the credit that will be applied to participants' biweekly employee share premiums can be calculated as follows:

#### *Full-Time Employees*

Depending on the amount of leave forfeited, the biweekly credit is equal to either \$19.23 (\$500 divided by 26 paychecks) OR \$38.46 (\$1000 divided by 26 paychecks) OR the biweekly cost of the enrollee's employee share NYSHIP contribution, whichever is less.

#### *Part-Time Employees*

Depending on the amount of leave forfeited, the biweekly credit is equal to either \$19.23 multiplied by the employee's payroll/employment percentage OR \$38.46 multiplied by the employee's payroll/employment percentage OR the biweekly cost of the enrollee's employee share NYSHIP contribution, whichever is less.

### **LEAVES OF ABSENCE**

Participants who go on sick leave at half-pay during a program year in which they are PEP enrollees will continue to have the health insurance premium contribution credit applied to the employee share of health insurance premiums deducted from biweekly paychecks.

PEP enrollees who go on leave without pay and do not receive a waiver of premium continue to participate in the program, paying the employee share of the NYSHIP health insurance premium at the reduced rate. Additionally, they pay the employer share of the health insurance premium where required. No portion of the health insurance premium contribution credit available under the program can be applied toward the employer share of the health insurance premium even when the employee is required to pay it. Leave

forfeited in association with the program will not be returned, in whole or in part, to employees who receive a waiver of premium.

PEP enrollees who go on Workers' Compensation leave continue to participate in the program. They continue to receive the health insurance premium contribution credit. For employees eligible to defer NYSHIP premiums until return to the payroll, only that portion of the employee share premium which is not offset by the health insurance premium contribution credit, if any, is deferred until the employee returns to the payroll. However, employees eligible to receive supplemental payments while on Workers' Compensation leave will have the health insurance premium contribution credit applied to any employee share premium deducted from such supplemental payments.

### **INSURANCE ISSUES**

An employee enrolled in PEP who moves between individual and family coverage under NYSHIP will have his/her health insurance premium contribution credit adjusted upward or downward as appropriate.

If both spouses are State employees covered under a single family contract, only the contract holder who carries the family coverage can participate in PEP. If both spouses are enrolled contract holders, both may participate in PEP if otherwise eligible.

The Employee Benefits Division of the Department of Civil Service will issue guidelines for agency Health Benefits Administrators concerning the processing of enrollment and status changes for PEP participants.

### **TAXABILITY**

By electing to participate in PEP, an employee reduces the amount deducted from biweekly paychecks to pay the employee share of NYSHIP premiums. If the employee currently has that amount deducted on a pre-tax basis, the PEP health insurance premium contribution credit reduces that pre-tax deduction. The net effect is that the amount of income the employee pays taxes on increases by the amount of the health insurance premium contribution credit. While employees will realize net savings because of the PEP credit, the amount of that savings will be less than the full amount of the PEP credit for anyone currently paying NYSHIP premiums on a pre-tax basis. Furthermore, for each program year of participation in PEP, employees who participate in the pre-tax premium contribution program may only make changes to health insurance in accordance with pre-tax premium contribution program rules regarding qualifying events, even though the PEP credit eliminates all or part of the health insurance premium deduction.

Employees should be referred to their income tax preparer for questions regarding the tax implications of participation in the PEP.

**Productivity Enhancement Program (PEP)  
Institution Teachers Appendix**

Due to the ratification of the 2011-2015 State/PEF collective bargaining agreement on November 3, 2011, certain Institution Teachers employed by the Department of Corrections and Community Supervision, the Office of Children and Family Services, the Office of Mental Health, or the New York State Schools for the Deaf and the Blind will be eligible to participate in PEP in accordance with the preceding program description except as modified below:

**OVERVIEW**

For each program year in which they wish to participate, eligible full-time Institution Teachers will forfeit 1 to 6 days of personal leave standing to their credit at the time of enrollment in exchange for a credit to be applied toward the employee share of their NYSHIP premiums deducted from biweekly paychecks in that program year.

During calendar year 2012, employees who enroll in that program year will forfeit 1 to 6 days of personal leave standing to their credit at time of enrollment in exchange for a credit to be applied toward the employee share of their NYSHIP premiums deducted from biweekly paychecks in that entire program year. In 2012, the credit will be worth up to \$166.66 per day. The credit will be divided evenly over the employee share deductions that will be taken from employee paychecks issued in that program year.

As with other participants, leave forfeited in association with the program will not be returned, in whole or in part, to employees who cease to be eligible for participation in the program.

The program will be available to eligible part-time employees on a prorated basis.

**ELIGIBILITY**

The eligibility criteria in the preceding program description are replaced by the requirements listed below.

In order to enroll, Institution Teachers must:

- Be (1) a classified or unclassified service employee in a title below Salary Grade 25 or equated to a position below Salary Grade 25; or (2) in the unclassified service at the New York State School for the Deaf or the New York State School for the Blind in a title with a full-time annual salary (or in the case of Instructor Assistants, total annual compensation) that does not exceed the job rate in effect at the time of enrollment for an employee in Salary Grade 24 as specified in “Appendix I Salary Schedules” in the 2011-2015 State/PEF Collective Bargaining Agreement;
- Be an employee covered by the 2011-2015 New York State/PEF Collective Bargaining Agreement; and
- Be a NYSHIP enrollee and contract holder in either the Empire Plan or an HMO at the time of enrollment.

**Productivity Enhancement Program for 2012 — Enrollment Form**

Name \_\_\_\_\_ SS# \_\_\_\_\_  
Health Insurance Plan \_\_\_\_\_  
Individual [ ] or Family Coverage [ ] (CHECK ONE)

By signing this document, I elect to participate in the 2012 portion of the Productivity Enhancement Program (PEP) and agree to the provisions contained in the Productivity Enhancement Program Description (hereafter program description) that is available in my agency personnel office. I understand that I must meet the eligibility criteria elaborated in the Program Description in order to participate.

I understand that, in accordance with the program description (and Appendix for Institution Teachers as appropriate), I will surrender leave accruals standing to my credit as a result of participation and that ALL of these leave credits will be deducted from my leave balances at the time my enrollment is processed. Furthermore, I understand that no portion of this leave will be returned to me under any circumstances. I wish to apportion this leave forfeiture as follows:

**Hours of Vacation Leave** \_\_\_\_\_ **Hours of Personal Leave** \_\_\_\_\_

In exchange for forfeiting this accrued leave I will receive a credit of up to either \$500 or \$1000 to be applied against the employee share cost of 2012 plan year NYSHIP health insurance premiums (as specified in the program description and Appendix for Institution Teachers as appropriate). Pursuant to the program description, the amount of this credit will be established at the time of enrollment and will be adjusted only upon movement between individual and family coverage. I will not receive any amount of credit that exceeds the cost of the employee share of my NYSHIP health insurance premiums paid during that period.

I understand that this enrollment form is for the 2012 program year only.

I understand that in order to participate this completed election form must be filed with my agency personnel office by the close of business on **December 5, 2011**.

Signature \_\_\_\_\_ Date \_\_\_\_\_

**PERSONAL PRIVACY PROTECTION LAW NOTIFICATION**

This information is being requested pursuant to New York State Civil Service Law section 161-a for the principal purpose of determining eligibility for the Productivity Enhancement Program for 2012. This information will be used in accordance with Public Officers Law section 96(1). Failure to provide this information may result in a denial of eligibility to participate in the Productivity Enhancement Program for 2012. This information will be maintained by the employee's Agency Personnel Office. For further information relating only to the Personal Privacy Protection Law, call (518) 457-9375.

**For Agency Personnel Office Only:**

Employee's payroll/employment percentage: \_\_\_\_\_

Total number of days forfeited: \_\_\_\_\_

Hours of leave deducted from employee's balance:

Vacation \_\_\_\_\_ Personal \_\_\_\_\_ Date \_\_\_\_\_

**Verification of eligibility.** I certify that this applicant meets the eligibility criteria necessary for participation in this program.

Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**For Health Benefits Administrators Only:**

Date Processed \_\_\_\_\_

Biweekly Health Insurance Premium Contribution Credit \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_