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NY 08-10

TO: State Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: PEP (PEF employees only)

DATE: May 5, 2008

PEP for 2008

The Productivity Enhancement Program (PEP) allows eligible **PEF** employees to exchange previously accrued annual leave (vacation) and/or personal leave in return for a credit to be applied toward their employee share of NYSHIP premiums on a biweekly basis. Since several variations exist for eligibility of employees in each of the three branches of State government, a matrix summarizing the differing aspects of the programs is attached to this memorandum.

ELIGIBILITY

To be eligible to enroll in **PEP**, employees must meet the following criteria:

- Be a classified or unclassified service employee in the Executive branch in a title below Salary Grade 18 or equated to a position below Salary Grade 18;
- Be an employee covered by the 2007-2011 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 HMO at time of enrollment

***Eligible part-time employees may participate on a prorated basis.**

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 18 or equated to a position below Salary Grade 18; 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 17 as specified in “Appendix I Salary Schedules” in the 2007-2011 State/PEF Collective Bargaining Agreement;
- Be an employee covered by the 2007-2011 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.

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 \$225 in 2008, \$450 in 2009 and \$500 in 2010 and 2011). As stated earlier, in 2008 the forfeiture for full-time employees is 1.5 days (i.e., 11.25 hours for 37.5 hour workweeks and 12 hours for 40-hour workweeks). In 2009, 2010 and 2011 the forfeiture for full-time employees is 3 full days (22.5 or 24 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.**

Exchanged Leave

Executive branch eligible PEF employees exchange 1.5 days of **Annual and/or Personnel Leave** for the PEP credit amount of \$225.00.

Teachers employed by the Department of Correctional Services, the Office of Children and Family Services, The Office of Mental Health, or the NYS Schools for the Deaf and the Blind (Executive branch) and represented by the Public Employees Federation (PEF) may exchange 1, or 1.5 days of **Personnel Leave** for the PEP credit

Additional program details for the 2008 PEP for Executive branch employees can be found in the **Attendance and Leave Manual Policy Bulletin # 2008– 02**, a copy of which is enclosed for your information.

Agencies are responsible for distribution and retention of the enrollment forms and coordination between the agency personnel office and the HBA with respect to certification of accrual adjustment(s) and initiating the PEP credit on NYBEAS.

Once enrolled for a program year, employees continue to participate in that year unless they separate from State service 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.

Any questions should be directed to your processor.

Health Insurance Premium Contribution Credit for PEP

PEF EMPLOYEES

For the 2008 PEP, the credit that will be applied to the biweekly employee share of the health insurance premium and can be calculated as reflected below:

Full-Time Employees

The biweekly credit is equal to \$17.31 (\$225/13 paychecks) OR the biweekly cost of the enrollee's employee share NYSHIP contribution, whichever is less.

Part-Time Employees

The biweekly credit is equal to \$17.31 multiplied by the employee's payroll/employment percentage OR the biweekly cost of the enrollee's employee share NYSHIP contribution, whichever is less.

Institution (PEF) Teachers

The biweekly credit is equal to \$5.77 per half day forfeited OR the biweekly cost of the enrollee's employee share NYSHIP contribution, whichever is less.

The amount of credit will only be adjusted if the enrollee moves from individual to family coverage during the program year. For example:

Blue Choice (066)

Individual Premium (2008)	\$15.24
Family Premium (2008)	\$72.95
Calculated PEP credit	\$17.31

An enrollee with individual coverage with Blue Choice, option 066, would get a PEP credit of \$15.24, not the calculated credit of \$17.31. If that enrollee moves to family coverage, the credit would change to \$17.31.

Productivity Enhancement Program (PEP)
Institution Teachers Appendix

Certain Institution Teachers employed by the Department of Correctional Services, 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

During calendar year 2008, the program will be available to eligible PS&T Unit employees for 13 biweekly payroll periods. Eligible full-time Institution Teachers who enroll in the 2008 program will forfeit 1 or 1.5 days of personal leave in exchange for a credit to be applied toward the employee share of their NYSHIP premiums deducted from the 13 biweekly paychecks in the 2008 program year. This credit will be worth up to \$75 for each half-day forfeited.

During calendar years 2009, 2010 and 2011, employees who enroll in those program years will forfeit 1, 2 or 3 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 2009 the credit will be worth up to \$150 per full day of personal leave forfeited for that program year. In 2010 and 2011, 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.

NYBEAS PROCESSING



To ADD the Health Insurance Premium Contribution Credit for PEP

HBAs will process a PEP/ENR to add the credit to NYBEAS (see below). This transaction is part of the PEP enrollment panel. The credit will show on the enrollee's billing record as a premium credit.

HOW TO ADD THE PEP CREDIT

- Follow the NYBEAS links from **Home, Compensate Employees, Administer NYBEAS Updates, Use, PEP enrollment.**
- An input screen will display (see next page). Enter the enrollee's identification number in the search dialog box and click the search button.
- In the **Plan Type** field, enter **10** (for Medical). Press **Tab**.
- The **Action and Reason** fields will automatically populate (**PEP/ENR**).
- In the **Request Dt** field, enter the date of signature on the **PEP** enrollment form. The date should be **May 5, 2008 through June 4, 2008** for all eligible **PEF employees**
- Press **Tab**.
- In the **PEP Percentage field** Type the employee's payroll/employment percentage. Click **Save**. (The default is 100%)

PEP Enrollment

Employee Info

[REDACTED]
Empl [REDACTED] Empl Rcd#: 0


Plan Type

*Plan Type:  Medical
COBRA Event Id: 0

Benefits & Billing Details


Effdt - Event ID	Covrg Elect	Ben Plan	Covrg	Paymt Method	Tax Elect	Tax Flag	Rate Share
06/26/2008 0	Elect	001	Empl Only	OPAY	B	B	% Empl
A02 PEF w/ Rx (Dental/Vision) BW		Imputed Income N		PEP Amt	17.31	Sick Leave	0.00
NYS	Adm/Lag/BW	00001	Regular	Med Primacy	<input type="checkbox"/>	Med Reimbursement	<input type="checkbox"/>

Transaction Details


*Action	*Reason	Event Dt	Request Dt	Effective Dt	Override
<input type="text" value="PEP"/>	<input type="text" value="ENR"/>	<input type="text"/>	<input type="text" value="05/05/2008"/> 	<input type="text" value="06/26/2008"/>	<input type="text" value="No"/> 
Enroll in PEP					

PEP Details

For Teachers represented by PEF only

Exchange days: <input type="text" value="1.5"/> 	PEP Percentage: <input type="text" value="100"/>	PEP Amount: \$17.31
		Plan Year: 2008

 Save

 Return to Search

To view the PEP percentage, click on **Inquire, PEP Enrollment Inquiry**.

PEP Enrollment Info								View All	First	1 of 1	Last
Action Date	Effective Date	Effective Sequence	COBRA Event Identification	PEP Plan Year	PEF Teacher's Exchange days	PEP Percentage	PEP Amt				
04/28/2008	06/26/2008	0	0	2008	1.5	100	17.31				

Save
 Return to Search
 Update/Display
 Include His

To view the PEP credit calculated, click on **Inquire, NYBEAS Update History** and the **Billings** tab

Plan Type															View All	First	1 of 3	Last
Plan Type:		Medical		10														
Billings Details															View All	First	1-4 of 4	Last
Effective Date	CBR EvtId	Comp	CustID	Rate Qual	Rate Share	Billing	Paygroup	Surchg %	Pay Meth	Tax Elect	Tax Flag	Imp Inc	SckLv Amt	PEP Amt				
06/26/2008	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	OPAY	B	B	N	0.00	17.31				
11/26/1998	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	OPAY	B	B	N	0.00	0.00				
09/03/1998	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	WCDF	B	A	N	0.00	0.00				
01/01/1986	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	OPAY	B	B	N	0.00	0.00				

Return to Search

Previous tab

Next tab

To view the actual PEP credit applied, click on **Inquire, NYBEAS Update History** and the **Accounting** tab.

- * The actual PEP credit applied will be the lesser of the calculated amount or the enrollee's health insurance premium.

Timing of NYBEAS Processing

Since the transaction cannot be keyed until after the certification of the accrual adjustment, coordination with your agencies personnel/payroll staff who handles this is the key to PEP credit processing. See the below chart showing the dates to key the transaction and the impacted paycheck. The resulting impact on your employees' paychecks may prompt numerous questions and or complaints for you to deal with.

PEF EMPLOYEES

****This panel will be open for NYBEAS keying until 7/1/08.**

Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	5/5/08-6/10/08	6/25/2008	6/25/08 thru 12/10/08	0
Administration Current	5/5/08-5/27/08	6/11/2008	6/11/08 thru 11/26/08	0
Institution Lag	5/5/08-6/17/08	7/3/2008	7/13/08 thru 12/18/08	0
Institution Current	5/5/08-6/03/08	6/19/2008	6/19/08 thru 12/04/08	0
Triple Lag	5/5/08-6/17/08	7/3/2008	7/3/08 thru 12/18/08	0
Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	6/11/08-6/24/08	7/9/2008	6/25/08 thru 12/10/08	1
Administration Current	5/28/08-6/10/08	6/25/2008	6/11/08 thru 11/26/08	1
Institution Lag	6/18/08-6/30/08	7/17/08	7/13/08 thru 12/18/08	1
Institution Current	6/04/08-6/17/08	7/3/08	6/19/08 thru 12/04/08	1
Triple Lag	6/18/08-6/30/08	7/17/08	7/3/08 thru 12/18/08	1
Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	6/25/08-7/1/08	7/23/2008	6/25/08 thru 12/10/08	2
Administration Current	6/11/08-6/24/08	7/9/2008	6/11/08 thru 11/26/08	2

Eligibility

Branch of Government	Eligible Bargaining Units	Salary Grade	Enrollment Period*	Number of Days to Exchange	Type of Leave to be exchanged
Executive	PEF	≤ 17	5/5/08-6/4/08	1.5	Annual Leave &/or Personal Leave
PEF Teachers	Institutions Teachers represented by PEF	≤ 17	5/5/08-6/4/08	1 or 1.5 days	Personal Days