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NY 08-32

TO: State Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: Productivity Enhancement Program (PEP)/
Health Option Program (HOP) for 2009

DATE: October 8, 2008

For 2009, the Productivity Enhancement Program (PEP) is available to eligible Executive Branch Managerial/Confidential employees and employees represented by CSEA, PEF, UUP, DC-37 and Legislative Branch employees. The Health Option Program (HOP) is available to eligible Judicial Branch employees. Both programs allow eligible employees to exchange previously accrued annual leave and/or personal leave, in return for a credit which reduces their employee share of New York State Health Insurance Program (NYSHIP) premium on a biweekly basis. Since several eligibility variations exist for 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 or HOP**, employees must meet the following criteria:

- Be a NYSHIP enrollee (contract holder) in either the Empire Plan or an HMO at the time of enrollment; and

PEP

- Be an Executive Branch employee covered by the 2007-2011 New York State/ CSEA, PEF, or DC-37 collective bargaining agreements; or a Managerial/Confidential employee (except SUNY MC employees – NU 13) in a title at or below salary grade 17 or equated to a position at or below salary grade 17; or
- Be a SUNY employee hired on a calendar year or College year basis covered by the 2007-2011 UUP collective bargaining agreement with an annual salary no greater than \$58,002 at the time of enrollment; part-time employee whose biweekly salary does not exceed \$1,132 in the 2009 plan year or, M/C employee (bargaining

unit 13). All employees must be eligible to receive an employer contribution toward NYSHIP premiums (or be on leave without pay from a position in which the employee is normally eligible for an employer share contribution toward NYSHIP premiums);

- Be a Legislative Branch annual salaried employee with a salary at or below \$59,312

HOP

- Be a Judicial Branch employee covered by a bargaining agreement between the Unified Court System (UCS) and one of the bargaining agents or Managerial/Confidential position (except Judges and Justices) and employed at or below Judicial Salary Grade 16; and

And, in addition for both PEP/HOP

- Have a minimum combined balance of annual and personal leave of at least 8 days after making the forfeiture for Executive Branch and Legislative Branch employees or 8 days of annual leave for Judicial branch employees and UUP employees.

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.

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 (\$450 in 2009 and \$500 in 2010 and 2011). 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 or Legislative branch eligible employees exchange 3 days of **Annual and/or Personal Leave** for the PEP credit amount of \$450.00.

Eligible UUP represented employees and SUNY M/C (NU 13) and Judicial Branch employees exchange 3 days of **Annual Leave** for PEP credit of \$450.

Eligible Judicial Branch employees exchange 3 days of **Annual Leave** for HOP credit of \$450.

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

PEF- Represented Institution Teachers Eligibility and Exchanged Leave

The eligibility criteria and exchanged leave amounts in the preceding description are amended by the requirements listed below for PEF represented Institution Teachers.

To be eligible to enroll in PEP, PEF- Represented 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.

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) represented by the Public Employees Federation (PEF) may exchange 1, 2 or 3 days of **Personal Leave** for the PEP credit. In 2009, the credit will be worth up to \$150 per full day of personal leave forfeited for the program year.

ENROLLMENT PERIOD

The open enrollment period for 2009 will be **October 27, 2008 through November 28, 2008.**

Any questions should be directed to your processor.

Health Insurance Premium Contribution Credit for PEP/HOP

For the 2009 PEP/HOP, the credit that will be applied to the biweekly employee share of the health insurance premium can be calculated as reflected below:

Full-Time Employees

The biweekly credit is equal to \$17.31 (\$450/26 paychecks) OR the biweekly cost of the enrollee's employee share of NYSHIP premium, 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 premium, whichever is less.

Institution (PEF) Teachers

The biweekly credit is equal to \$5.77 per day forfeited OR the biweekly cost of the enrollee's employee share NYSHIP premium, 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 maximum credit of \$17.31. If that enrollee changes to family coverage, the credit would increase to \$17.31.

NYBEAS PROCESSING



To ENTER the Health Insurance Premium Contribution Credit for PEP/HOP

The HBA will process a PEP/ENR to enter the premium contribution credit to NYBEAS for both PEP and HOP (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.

- 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 **October 27, 2008 through November 28, 2008**, for all eligible employees. Press **Tab**.
- In the **PEP Percentage** field type the employee's payroll/employment percentage. Click **Save**. (The default is 100%)
- If the enrollee is a PEF Teacher and is using less than the maximum 3 days, you should enter 1 or 2 days in the Exchange days field of the PEP Details section of the PEP enrollment form. (The default is 3 days) This is only to be used for teachers represented by PEF.

PEP Details	
For Teachers represented by PEF only	
'Exchange days: <input type="text" value="3"/>	*PEP Percentage: <input type="text" value="100"/> PEP Amount: \$0.00

[Home](#) > [Compensate Employees](#) > [Administer NYBEAS Updates](#) > [Use](#) > PEP Enrollment

PEP Enrollment

Employee Info

Melvin Magoo

EmplID: 123456789

Empl Rcd#: 0

Plan Type

 *Plan Type:

COBRA Event Id: 0

Benefits & Billing Details

Effdt - Event ID	Covrg Elect	Ben Plan	Covrg	Paymt	Tax	Tax	Rate
Company	Pay Group	Cust ID	Billing Status	Method	Elect	Flag	Share
0							
				Imputed Income	PEP Amt	0.00	Sick Leave 0.00
				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"/>	<input type="text"/>	<input type="text" value="No"/>
Enroll in PEP					

PEP Details

For Teachers represented by PEF only

 *Exchange days:

 *PEP Percentage:

PEP Amount: \$0.00

Plan Year:

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	Exchange Days	PEP Percentage	PEP Amt				
02/11/2008	12/27/2007	0	0	2008	3.0	100	17.31				

Save
 Return to Search
 Update/Display
 Include History

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

1-6 of 6

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
01/03/2008	0	NYS	00001	E	% Empl	Regular	Ins/Lag/BW	0	OPAY B	B	N	0.00	17.31	
08/02/2007	0	NYS	00001	E	% Empl	Regular	Ins/Lag/BW	0	OPAY B	B	N	0.00	0.00	0.00
06/14/2007	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	OPAY B	B	N	0.00	0.00	0.00
02/01/2007	0	NYS	00001	E	% Empl	Regular	Ins/Lag/BW	0	OPAY B	B	N	0.00	0.00	0.00
08/01/2002	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	OPAY B	B	N	0.00	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.

Note: 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 agency's personnel/payroll staff who handles this, is the key to PEP credit processing. The following chart indicates the dates to key the transaction and the corresponding paycheck which will be impacted. Be prepared to answer questions once the employee's paycheck has been affected.

This panel will be open for NYBEAS keying until 1/13/09.

Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	11/13/08-12/09/08	12/24/2008	12/24/08 thru 12/9/09	0
Administration Current	11/13/08-11/25/08	12/10/2008	12/10/08 thru 11/25/09	0
Institution Lag	11/13/08-12/16/08	12/31/2008	12/31/08 thru 12/17/09	0
Institution Current	11/13/08-12/2/08	12/18/2008	12/18/08 thru 12/3/09	0
Triple Lag	11/13/08-12/16/08	12/31/2008	12/31/08 thru 12/17/09	0
Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	12/10/08-12/23/08	1/7/2009	12/24/08 thru 12/9/09	1
Administration Current	11/26/08-12/9/08	12/24/2008	12/10/08 thru 11/25/09	1
Institution Lag	12/17/08-12/30/08	1/15/2009	12/31/08 thru 12/17/09	1
Institution Current	12/3/08-12/16/08	12/31/2008	12/18/08 thru 12/3/09	1
Triple Lag	12/17/08-12/30/08	1/15/2009	12/31/08 thru 12/17/09	1
Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	12/24/08-1/6/09	1/21/2009	12/24/08 thru 12/9/09	2
Administration Current	12/10/08-12/23/08	1/7/2009	12/10/08 thru 11/25/09	2
Institution Lag	12/31/08-1/13/09	1/29/2009	12/31/08 thru 12/17/09	2
Institution Current	12/17/08-12/30/08	1/15/2009	12/18/08 thru 12/3/09	2
Triple Lag	12/31/08-1/13/09	1/29/2009	12/31/08 thru 12/17/09	2