



DAVID A. PATERSON
GOVERNOR

STATE OF NEW YORK
DEPARTMENT OF CIVIL SERVICE
ALFRED E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12239
www.cs.state.ny.us

NANCY G. GROENWEGEN
COMMISSIONER

NY 09-47

TO: State Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: Productivity Enhancement Program (PEP)/
Health Option Program (HOP) for 2010

DATE: October 27, 2009

For 2010, the Productivity Enhancement Program (PEP) is available to eligible Executive Branch Managerial/Confidential (M/C) 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
- Have a minimum combined balance of annual and personal leave after making the forfeiture of at least 8 days for Executive Branch and Legislative Branch employees or 8 days of annual leave for Judicial Branch employees and SUNY employees (4 days for part-time SUNY employees).

ADDITIONAL ELIGIBILITY REQUIREMENTS

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 M/C employees – NU13) 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 \$59,742 at the time of enrollment; part-time employee whose biweekly salary does not exceed \$1,166 in the 2010 plan year) or, M/C employee (NU 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 \$61,091.

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;

Part-Time Employees

Eligible part-time annual-salaried 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 (\$ 500 in 2010). In 2010, the forfeiture for full-time employees is three 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 a PEP credit of \$500.

Eligible UUP and SUNY M/C (NU 13) represented employees exchange 3 days of **Annual Leave** for a PEP credit of \$500.

Eligible Judicial Branch employees exchange 3 days of **Annual Leave** for HOP credit of \$500.

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 2010, the credit will be worth up to \$166.66 per full day of personal leave forfeited for the program year.

ENROLLMENT PERIOD

The open enrollment period for 2010 will be **October 26, 2009 through November 27, 2009.**

Any questions should be directed to your processor.

HEALTH INSURANCE PREMIUM CONTRIBUTION CREDIT FOR PEP/HOP

For the 2010 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 \$19.23 (\$500/26 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 \$19.23 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 \$6.41 per day forfeited OR the biweekly cost of the enrollee's employee share NYSHIP premium, whichever is less.

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

Capital District Physicians' Health Plan (063)

Individual Premium (2009)	\$18.91
Family Premium (2009)	\$93.04
Calculated PEP credit	\$19.23

An enrollee with individual coverage with Capital District Physicians' Health Plan, option 063, would get a PEP credit of \$18.91, not the maximum credit of \$19.23. If that enrollee changes to family coverage, the credit would increase to \$19.23.

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 Navigation Menu links:
Benefits > Transactions > PEP > PEP Enrollment
- An input screen will display. 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 26, 2009 through November 27, 2009** 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=""/>	*PEP Percentage: <input type="text" value="100"/> PEP Amount: \$0.00

PEP Enrollment																																									
Employee Info																																									
NYSHIP ENROLLEE EmplID: 123456789 Empl Rcd #: 0																																									
Plan Type																																									
*Plan Type: <input type="text" value="10"/> Medical COBRA Event Id: 0																																									
Benefits & Billing Details																																									
<table border="1"> <thead> <tr> <th>Effdt - Event ID</th> <th>Covrg Elect</th> <th>Ben Plan</th> <th>Covrg</th> <th>Paymt</th> <th>Tax</th> <th>Tax</th> <th>Rate</th> </tr> <tr> <th>Company</th> <th>Pay Group</th> <th>Cust ID</th> <th>Billing Status</th> <th>Method</th> <th>Elect</th> <th>Flag</th> <th>Share</th> </tr> </thead> <tbody> <tr> <td>12/28/2006 0</td> <td>Elect</td> <td>001</td> <td>Family</td> <td>OPAY</td> <td>B</td> <td>B</td> <td>% Empl</td> </tr> <tr> <td>A05</td> <td>M/C Enh w/Rx (Dent/Vis)</td> <td>BW Life</td> <td>Imputed Income</td> <td>N</td> <td>PEP Amt</td> <td>0.00</td> <td>Sick Leave 0.00</td> </tr> <tr> <td>NYS</td> <td>Adm/Lag/BW</td> <td>00001</td> <td>Regular</td> <td>Med Primacy</td> <td><input type="checkbox"/></td> <td>Med Reimbursement</td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Effdt - Event ID	Covrg Elect	Ben Plan	Covrg	Paymt	Tax	Tax	Rate	Company	Pay Group	Cust ID	Billing Status	Method	Elect	Flag	Share	12/28/2006 0	Elect	001	Family	OPAY	B	B	% Empl	A05	M/C Enh w/Rx (Dent/Vis)	BW Life	Imputed Income	N	PEP Amt	0.00	Sick Leave 0.00	NYS	Adm/Lag/BW	00001	Regular	Med Primacy	<input type="checkbox"/>	Med Reimbursement	<input type="checkbox"/>	
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Transaction Details																																									
*Action: <input type="text" value="PEP"/> *Reason: <input type="text" value="ENR"/> Event Dt: <input type="text" value=""/> Request Dt: <input type="text" value="11/03/2009"/> Effective Dt: <input type="text" value="12/24/2009"/> Override: <input type="text" value="No"/>																																									
Enroll in PEP																																									
PEP Details																																									
For Teachers represented by PEF only PEP Percentage: <input type="text" value="100"/> PEP Amount: \$19.23																																									
Exchange days: <input type="text" value="3.0"/> Plan Year: 2010																																									

To view the PEP percentage, follow the NYBEAS Navigation Menu links:

Benefits > History > PEP > Enrollment Inquiry

PEP Enrollment Info							
				Customize Find 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
10/21/2009	12/24/2009	0	0	2010	3.0	100	19.23

To view the PEP credit calculated, follow the NYBEAS Navigation Menu links:

Benefits > History > NYBEAS Update History and click on the **Billings** tab.

Plan Type														View All	First	1 of 5	Last	
Plan Type:		Medical	10															
Billings Details														View All		First	1-2 of 2	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				
12/24/2009	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	OPAY	B	B	N	0.00	19.23				
01/05/1989	0	NYS	00001	E	% Empl	Regular	Adm/Lag/BW	0	OPAY	B	B	N	0.00	0.00				

To view the actual PEP credit applied, follow the NYBEAS Navigation Path links:

Benefits > History > NYBEAS Update History and click on 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 1/12/10.

Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	11/12/09 – 12/8/09	12/23/2009	12/23/09 thru 12/8/10	0
Administration Current	11/12/09 – 11/24/09	12/9/2009	12/9/09 thru 11/24/10	0
Institution Lag	11/12/09 – 12/15/09	12/31/2009	12/31/09 thru 12/16/10	0
Institution Current	11/12/09 – 12/1/09	12/17/2009	12/17/09 thru 12/2/10	0
Triple Lag	11/12/09 – 12/15/09	12/31/2009	12/31/09 thru 12/16/10	0
Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	12/9/09-12/22/09	1/6/2010	12/23/09 thru 12/8/10	1
Administration Current	11/25/09-12/8/09	12/23/2010	12/9/09 thru 11/24/10	1
Institution Lag	12/16/09-12/29/09	1/14/2010	12/31/09 thru 12/16/10	1
Institution Current	12/2/09-12/15/09	12/31/2009	12/17/09 thru 12/2/10	1
Triple Lag	12/16/09-12/29/09	1/14/2010	12/31/09 thru 12/16/10	1
Employee's Payroll Cycle	NYBEAS Keying Window	Impacted Paycheck	Paychecks credited with PEP Credit	# of Retro PEP Credits
Administration Lag	12/23/09-1/5/10	1/20/2010	12/23/09 thru 12/8/10	2
Administration Current	12/9/09-12/22/09	1/6/2010	12/9/09 thru 11/24/10	2
Institution Lag	12/30/09-1/12/10	1/28/2010	12/31/09 thru 12/16/10	2
Institution Current	12/16/09-12/29/09	1/14/2010	12/17/09 thru 12/2/10	2
Triple Lag	12/30/09-1/12/10	1/28/2010	12/31/09 thru 12/16/10	2

Timing of 2010 PEP Credit with 2010 Health Insurance Premium Deduction

For employees on Administration payrolls, the 2010 PEP credit will begin one payroll period prior to the start of the 2010 health insurance premium deduction. All employees will still have 26 paychecks credited with the 2010 PEP credit. Assuming no retroactivity, the following chart indicates the start of the 2010 PEP credits and health insurance deductions for the various payrolls.

Employee's Payroll Cycle	First Check with 2010 PEP Credit	First Check with 2010 Health Insurance Premium Deduction
Administration Lag	12/23/2009	1/6/2010
Administration Current	12/9/2009	12/23/2009
Institution Lag	12/31/2009	12/31/2009
Institution Current	12/17/2009	12/17/2009
Triple Lag	12/31/2009	1/14/2010

Branch of Government	Eligible Bargaining Units	Salary Grade	Enrollment Period	Descriptions and Forms	# of Days to Exchange	Type of Leave to be exchanged	Remaining Leave Minimum Balance
Executive Branch (PEP)	CSEA, PEF, DC-37 & M/C	≤ 17	10/26-11/27/09	Refer to the Attendance & Leave Bulletin and form for details	3	Annual Leave &/or Personal Leave	8 days AL &/or PL
Executive Branch (PEP)	Institutions Teachers represented by PEF	≤ 17	10/26-11/27/09	Refer to the Attendance & Leave Bulletin and form for details	1, 2 or 3	Personal Leave	N/A
Legislative Branch (PEP)	All Bargaining Units	Full time ≤\$61,091	10/26-11/27/09	Refer to the Assembly & Senate PEP memos & forms for details	3	Annual Leave &/or Personal Leave	8 days AL &/or PL
SUNY (PEP)	UUP, SUNY M/C (NU 13)	Full time ≤\$59,742 & Part time ≤\$1,166	10/26-11/27/09	Refer to the SUNY PEP memo & form for details	3	Annual Leave	8 days AL for full-time employees 8 days AL prorated for part-time employees
Judicial (HOP)	Various negotiating units except Judges and Justices	≤ 16	10/26-11/27/09	Referred to as "HOP" instead of PEP	3	Annual Leave	8 days AL