



## Department of Civil Service

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NY21-16

**TO:** New York State Agency Health Benefit Administrators  
**FROM:** Employee Benefits Division  
**SUBJECT:** Sick Leave Credit  
**DATE:** August 11, 2021

This memo is to provide information and guidance to Health Benefits Administrators (HBAs) regarding sick leave credit eligibility and the actions required for processing sick leave credit when an enrollee in the New York State Health Insurance Program (NYSHIP) leaves State service.

### **Sick Leave Credit Background**

When an employee separates from service, they may be entitled to convert sick leave accruals into a lifetime, monthly credit to reduce the cost of their NYSHIP retiree health coverage. Sick leave credit is used to cover all or part of the enrollee's health insurance premium during retirement. It cannot be applied to any Dental, Vision, or Life Insurance premiums. If the enrollee's sick leave credit is higher than their health coverage premium, they will not receive a reimbursement for the difference. To utilize the credit, an enrollee must be eligible for retiree coverage at the time they leave the payroll. In other words, sick leave credit is forfeited and cannot be applied toward health insurance premium costs for vestee coverage, retiree coverage after continuing in vested status, or COBRA coverage.

Enrollees retiring from a position in which they do not earn sick leave accruals are not eligible for a sick leave credit. Judges, Justices, and certain M/Cs do not earn sick leave credit. Sick leave accruals earned in a prior position cannot be utilized when an enrollee is retiring from a position in which they could not earn sick leave.

HBAs must input enrollee sick leave credit information into the NYBEAS system, by either:

- Entering information on the HBA Sick Leave worklist (using the Sick Leave Adjustment transaction) if the enrollee has active health insurance benefits in their own right or is enrolled in the Opt-Out Program, **or**
- Using the Sick Leave Preservation transaction if they do not have active coverage in their own right.

HBAs should not update information in both Sick Leave Adjustments and the Sick Leave Preservation pages.

Please refer to the [Sick Leave Credit](#) section of the HBA Manual for more details. This includes information on eligibility for sick leave credit, calculating sick leave, life expectancy tables, deferral of coverage, and single/dual annuitant options.

### **Calculating Sick Leave Credit**

When an enrollee retires, HBAs will need to enter sick leave information into NYBEAS through the HBA Sick Leave worklist or the Sick Leave Credit Preservation page.

**HBAs are required to enter the necessary information regardless of whether the employee's eligibility for NYSHIP retiree coverage is known.** EBD will determine eligibility. If the enrollee had no sick leave accruals at all, HBAs should select "None" when processing.

HBAs must enter the employee's standard hours per workday (e.g., 7.0, 7.5, or 8.0), their annual salary (including salary constants), and the sick leave accruals. Examples of salary constants include shift differentials, location pay, geographic differential, and/or inconvenience pay. Retirees may use up to 200 days of unused sick leave (PIA and PBA may only use 165 days) toward the calculation of their sick leave credit.

HBAs should understand that this information and the appropriate actuarial chart of life expectancies will be used to determine the employee's sick leave credit amount. There may be different actuarial life expectancy tables based on the enrollee's negotiating unit or retirement type (Service or Disability Retirement). NYBEAS will use the appropriate actuarial life expectancy tables to calculate the sick leave credit.

Please refer to [Calculating Sick Leave Credit](#) section of the HBA Manual on HBA Online for more information.

### **Processing Sick Leave From A Worklist**

When separating from State service, an enrollee with coverage in their own right prior to retirement including Opt-out will appear on the NYBEAS worklist titled HBA Sick Leave. HBAs are required to "work" these retirees off the worklist by updating the sick leave credit information. HBAs should also process for enrollee who have elected to defer the start of their retiree coverage by completing the *NYSHIP Health Insurance Deferral Election Form* (PS-406.2).

Please refer to the attached *Processing Sick Leave from A Worklist* instructions for more information.

### **Sick Leave Credit Preservation**

The Sick Leave Credit Preservation page (below) was created so that HBAs can insert sick leave credit information for employees who are not enrolled in NYSHIP health insurance benefits in their own right, allowing the enrollee's sick leave credit to be automatically calculated when NYSHIP coverage is eventually activated later in retirement. If the employee is enrolled as a dependent on another NYSHIP plan, they will not appear on the HBA Sick Leave worklist. It is the responsibility of the employee to notify their HBA if they are a dependent on another NYSHIP coverage at the time of their separation from active State employment.

Please refer to the attached *Processing Sick Leave Credit Preservation* instructions for more information.

### **Calculate Sick Leave For Part-Time Employees**

There are additional steps required to correctly calculate sick leave credit for enrollees who do not work in a Full-time position with standard hours per workday schedule. HBAs must annualize Part-time employees' salary and standard hours worked per day.

Please refer to the attached *Sick Leave for Part-Time Employees* instructions for more information.

### **Retroactive Salary Adjustments**

As a result of collective bargaining agreements, ratified contracts between the State of New York and its Unions (including agreements which affect employees in Management Confidential positions) may include retroactive salary adjustment provisions. This means employees who retired on or after the date of the retroactive salary increase as specified in the agreement could have an adjusted hourly rate of pay at the time of retirement and therefore, may be entitled to an increase in their monthly sick leave credit.

Please refer to the attached *Processing Sick Leave Adjustment for Retroactive Salary Increase* instructions for more information.

### **Rehired Retiree**

When a New York State retired enrollee is rehired, regardless of whether they elect to maintain Retiree coverage or enroll in Active coverage, their sick leave credit may be re-calculated when they retire again.

For more information on sick leave credit for rehired retirees, please refer to the [Rehired Retiree – Sick Leave Credit](#) section of the HBA Manual, [HBA Memo NY19-13](#) for Rehired Retirees, and the *Back to Work For New York State* publication.

### **Enrollee Resources**

Employees can estimate their sick leave credit using the online Sick Leave Credit Calculator found on NYSHIP Online under the **Planning to Retire?** section. They will initially be directed to select their group (negotiating unit) and health insurance plan from a drop-down menu. To calculate their credit, employees will be required to enter their planned effective date of retirement, pay rate, standard work schedule, hours of unused sick leave accruals, their age at the time of their desired retirement date, and whether they will choose the dual annuitant sick leave credit option.

Additionally, enrollees can refer to the NYSHIP *General Information Book for NY Active Employees* and *Planning for Retirement* materials for more details.

If you have any questions after reviewing this memo and the HBA Manual, please contact the Employee Benefits Division HBA Help Line at 518-474-2780. Representatives are available Monday through Friday between 9 a.m. and 4 p.m. Eastern time. Thank you for your assistance in updating sick leave credit for the retirees from your agency.

### **Attachments:**

*Processing Sick Leave from A Worklist*  
*Processing Sick Leave Credit Preservation*  
*Processing Sick Leave Adjustment for Retroactive Salary Increase*  
*Sick Leave for Part-Time Employees*