

Productivity Enhancement Program Enrollment Information for Program Year 2016

The New York State Department of Civil Service has announced the implementation of the Productivity Enhancement Program (PEP) for 2016. The PEP for 2016 allows eligible CSEA represented, DC-37 represented, and Management Confidential (M/C) 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 of NYSHIP premiums on a biweekly basis. The Program will be available for the entire calendar year in 2016.

Please note: For PEF represented employees, the Program will end on **December 31, 2015**.

Enrollment Information

The enrollment period for 2016 will be open **Monday, October 26, 2015 through Friday, November 27, 2015**. In order to enroll in the 2016 program year, employees must submit a 2016 PEP Enrollment Form to the BSC Benefits Unit by **November 27, 2015**.

Overview of PEP

Employees in Salary Grades 1-17

Full-time employees in Salary Grades (SG) 1–17, non-statutory employees equated to SG 1–17, or employees with an annual salary rate no greater than job rate of SG 17 who enroll in the program, may elect to forfeit either three days or six days of annual and/or personal leave in exchange for a health insurance credit as indicated below:

- Employees who elect to forfeit three days of annual and/or personal leave will have 22.5 hours (for those with a 37.5 hour workweek) or 24 hours (for those with a 40 hour workweek) or accruals deducted from their balances in exchange for an annual credit of up to \$500.
- Employees who elect to forfeit six days of annual and/or personal leave will have 45 hours (for those with a 40 hour workweek) or 48 hours (for those with a 40 hour workweek) of accruals deducted from their balances in exchange for an annual credit of up to \$1,000.

CSEA and DC-37 Employees in Salary Grades 18-24, and M/C Employees in Salary Grades 18-23

Full-time CSEA and DC-37 represented employees in SG 18–24, CSEA and DC-37 non-statutory employees equated to SG 18–24, CSEA and DC-37 employees with an annual salary exceeding the job rate of SG-17 but with an annual salary no greater than the job rate of SG 24, full-time M/C employees in SG 18-23, non-statutory M/C employees equated to SG 18-23, or M/C employees with an annual salary that is between the job rate of an SG-17 and the job rate of an SG-23 who enroll in the program, may elect to forfeit a total of either two days or four days of annual and/or personal leave in exchange for a health insurance credit as indicated below:

- Employees who elect to forfeit two days will have 15 hours (for those with a 37.5 hour workweek) or 16 hours (for those with a 40 hour workweek) deducted from their annual and/or personal leave balances in exchange for an annual credit of up to \$500.
- Employees who elect to forfeit four days will have 30 hours (for those with a 37.5 hour workweek) or 32 hours (for those with a 40 hour workweek) deducted from their annual and/or personal leave balances in exchange for an annual credit of up to \$1,000.

In cases where the payroll percentage of a part-time employee 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).

In order to facilitate coordination of this PEP credit with introduction of the new health insurance rates, the 2016 PEP program year will be covered by the dates specified below:

Program Year	Employee's Payroll Cycle	Paychecks Issued Between:	#Paychecks
2016	Administration Lag	12/30/15 through 12/28/16	26
	Administration Current	12/16/15 through 12/14/16	26
	Institution Lag	01/07/16 through 01/04/17	26
	Institution Current	12/24/15 through 12/21/16	26
	Triple Lag	01/07/16 through 01/04/17	26

Eligibility Information

In order to enroll an employee must:

- For CSEA and DC-37 represented employees, be a classified or unclassified service employee in the Executive branch in a title at SG-24 or below, or in an equated position at or below a SG 24; or
- For M/C employees, be a classified or unclassified service employee in the Executive branch in a title at SG-23 or below; or in an equated position at or below a SG-23; and
- Have a minimum combined balance of annual and personal leave of at least eight 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.

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 for 2016).

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 2016 program year, the credit that will be applied to participants' biweekly employee share premiums can be calculated as follows:

- **Full-Time Employees** – The biweekly credit is equal to either \$19.23 (\$500 divided by 26 paychecks) or \$38.46 (\$1,000 divided by 26 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 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.

Leave 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. For questions regarding the tax implications of participation in the program, employees should check with their income tax preparer.

Questions

If you have any questions regarding the 2016 PEP program, please contact the BSC Benefits Unit by phone at (518) 457-4272, or by e-mail at BSCBenefitsAdmin@ogs.ny.gov.

**Productivity Enhancement Program for 2016
Enrollment Form**

Name _____ Salary Grade _____ SS# xxx-xx-_____
 Health Insurance Plan _____
 Individual [] or Family Coverage [] (CHECK ONE)

By signing this document, I elect to participate in the 2016 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 all the eligibility criteria as set forth in the program description in order to participate.

I understand that, in accordance with the program description, 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:

	CSEA-DC-37-M/C
Salary Grade 1-17	Choose 3 or 6 days _____ Hrs vacation leave _____ Hrs personal leave _____
Salary Grade 18-24 (to SG 23 for M/C)	Choose 2 or 4 days _____ Hrs vacation leave _____ Hrs personal leave _____

In exchange for forfeiting this accrued leave I will receive a credit as set forth in the program description to be applied against the employee share cost of 2016 plan year NYSHIP health insurance. 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 2016 program year only.

I understand that in order to participate this completed election form must be filed with the OGS Business Services Center (BSC) Benefits Unit by the close of business on **November 27, 2015**. If you have any questions, please contact the BSC Benefits Unit at (518) 457-4272, or e-mail BSCBenefitsAdmin@ogs.ny.gov.

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 2016. 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 2016. This information will be maintained by the Business Services Center (BSC) Benefits Unit. For further information relating only to the Personal Privacy Protection Law, call (518) 457-9375.

For OGS BSC Benefits Office Only:

Employee's payroll/employment percentage: _____ Salary Grade: _____ 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 _____