

2010 PRODUCTIVITY ENHANCEMENT PROGRAM (PEP)

In 2010, PEP will continue. This program allows eligible UUP and M/C unclassified employees enrolled in the New York State Health Insurance Program to exchange previously accrued annual leave (vacation) in return for a credit of up to \$500 be applied toward the employee share of their health insurance premiums on a biweekly basis. The enrollment period for the 2010 program year begins Monday, October 26, 2009 and ends Friday, November 27, 2009. The PEP credit will affect paychecks dated December 23, 2009 through December 08, 2010.

The Program Description follows this page. The enrollment form has been mailed on campus to all UUP and M/C unclassified employees who may be eligible to participate. It also appears on this site following the Program Description. Please review the description carefully. **If you wish to participate in this program in 2010, you MUST MEET ALL of the eligibility requirements and the completed enrollment form MUST be submitted to the Office of Human Resources NO LATER THAN FRIDAY, NOVEMBER 27, 2009.**

If anyone has any questions, please contact us at x2509.

Productivity Enhancement Program (PEP) Description

OVERVIEW

The Productivity Enhancement Program (PEP) allows eligible UUP-represented and SUNY M/C (bargaining unit 13) employees to exchange previously accrued annual leave (vacation) in return for a credit to be applied toward their employee share NYSHIP premiums on a biweekly basis. In no case can the credit available under the program be applied to the employer share of NYSHIP premiums. As detailed below, the program will be administered on a NYSHIP plan year (hereafter "plan year") basis.

In the 2010 plan year, eligible full-time employees who enroll will forfeit a total of 3 days of Annual leave at the time of enrollment in return for a credit of up to \$500. All eligible part-time employees who enroll in PEP will forfeit Annual leave on a prorated basis in accordance with their payroll/employment percentage in return for a prorated credit. This credit will be applied to biweekly employee share NYSHIP premium deductions paid for the remainder of the 2010 NYSHIP plan year.

The credit will be divided evenly among pay periods in 2010 and applied toward the biweekly premium payments required for coverage under NYSHIP in that plan year. The biweekly amount of the credit for fulltime employees will be equal to \$19.23 OR the biweekly cost of the enrollee's employee share of NYSHIP premium, whichever is less. The biweekly credit for part-time employees 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. The biweekly value of the credit will NOT be adjusted for enrollees who do not pay all biweekly employee share deductions during the plan year. Therefore, employees who do not expect to make all employee share premium payments during a plan year may not wish to participate in that plan year.

During any plan year in which an employee participates, the credit established upon enrollment in the program will be adjusted only if the employee moves between individual and family coverage under NYSHIP during that plan year.

Once enrolled for a given plan year, employees continue to participate for the duration of that plan year unless they separate from State service or cease to be NYSHIP contract holders. Leave forfeited in association with this program will not be returned, in whole or in part, to employees who cease to be eligible for participation in the program.

Disputes arising from this program are not subject to the grievance procedures contained in the 2007-11 State/UUP collective bargaining agreement.

ENROLLMENT

The enrollment period for the 2010 plan year will be from **October 26, 2009** through **November 27, 2009**. Employees are required to submit a separate enrollment form for each year in which they wish to participate.

ELIGIBILITY

At the time of enrollment employees must:

1. Be employed on a Calendar Year or College Year basis;
2. Be a full-time employee with an annual salary no greater than \$59,742 at the time of enrollment OR part-time employee whose biweekly salary does not exceed \$1,166 in the 2010 plan year;
3. Be an employee covered by the 2007-11 New York State/UUP Collective Bargaining Agreement or a SUNY M/C employee (bargaining unit 13);
4. Be a NYSHIP enrollee (contract holder) in either the Empire Plan or an HMO;
5. 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); and
6. Have a sufficient annual leave balance to make the full leave forfeiture without bringing their annual leave balance below 8 days or a prorated balance for part-time employees, respectively.

To enroll in the program for the 2010 plan year, employees must meet eligibility criteria 1 through 5 as of October 26, 2009. Additionally, they must meet ***all*** eligibility criteria at the time of enrollment. To enroll for other plan years, employees must meet all enrollment criteria as of the date of enrollment.

LEAVES 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 credit applied to the employee share of health insurance premiums deducted from biweekly paychecks.

PEP enrollees who go on leave without pay (LWOP) 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 credit available under the program can be applied toward the employer share of the health insurance premium. Leave forfeited in association with the program will not be returned, in whole or in part, to employees who receive a waiver of premium.

INSURANCE ISSUES

An employee enrolled in PEP who moves between individual and family coverage under NYSHIP will have his/her health insurance 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.

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 pretax basis, the PEP health insurance premium credit reduces that pretax deduction. The net effect is that the amount of income the employee pays taxes on increases by the amount of the health insurance premium 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 pretax 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.

Employees are referred to their income tax preparer for questions regarding the tax implications of participation in the PEP.

Productivity Enhancement Program for 2010 – Enrollment Form

Name _____ Last 4 digits of SS# _____

(PLEASE PRINT CLEARLY)

Health Insurance Plan _____

Check one of the following: Individual Coverage [] or Family Coverage []

By signing this document, I elect to participate in the 2010 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 campus Human Resources Office. I understand that I must meet the eligibility criteria explained in the Program Description in order to participate.

I understand that full-time employees will surrender 3 days of Annual leave as a result of participation in the program and that part-time employees will surrender Annual leave on a prorated basis in accordance with their payroll/employment percentage as a result of participation. Furthermore, I understand 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.

In exchange for forfeiting this accrued leave I will receive a health insurance contribution credit (hereafter “credit”) to be applied against the employee share cost of NYSHIP health insurance premiums paid in the 2010 NYSHIP plan year. The maximum possible amount of this credit for 2010 is \$500 for full-time employees. The maximum credit for part-time employees will be prorated based upon the employee’s payroll/employment percentage. 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 understand that 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 only applies to the 2010 NYSHIP plan year.

I understand that in order to participate, this completed election form must be filed with my campus Human Resources Office by the close of business on **November 27, 2009**.

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 2010. 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 2010. This information will be maintained by the employee’s Agency Personnel Office. For further information relating only to the Personal Privacy Protection Law, contact pio@cs.state.ny.us.

For Agency Payroll Office Only:

Verification of negotiating unit, full or part time status and salary. I certify that this applicant meets the eligibility criteria necessary for participation in this program.

N.U. _____ F/P % _____ Salary _____
Name Hope Lambrecht Title Asst Uni Fin Anlys
Signature _____ Date _____

For Agency Human Resource Office Only:

Verification of leave balance. I certify that this applicant meets the leave balance eligibility requirement necessary for participation in this program.

Vacation Days Deducted _____ Date Deducted _____
Name Jean Krueger Title Administrative Aide
Signature _____ Date _____

For Health Benefits Administrators Only:

Verification of NYSHIP enrollment. I certify that this applicant meets the eligibility requirement necessary for participation in this program.

Date Processed _____ Biweekly Health Insurance Contribution Credit _____
Name Mickie Wilcox Title Keyboard Specialist 2
Signature _____ Date _____