

**SPECIAL ENROLLMENT PERIOD: 2024 PRODUCTIVITY
ENHANCEMENT PROGRAM (PEP) DESCRIPTION – NYSCOPBA (SSU)
AND DC-37 (RRSU) EMPLOYEES ONLY**

OVERVIEW

The Productivity Enhancement Program (PEP) for 2024 allows eligible NYSCOPBA and DC-37-represented, 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. In no case can the credit available under the program be applied to the employer share of NYSHIP premiums.

Since the program typically begins at the beginning of the calendar year, the revised benefit will be available on a prorated basis effective July 1, 2024. In order to administratively coordinate the PEP credit for NYSCOPBA and DC-37 represented employees with introduction of the new health insurance rates, the 2024 PEP program year of January 1, 2024 through December 31, 2024 will be covered by the dates specified below:

Program Year	Employee’s Payroll Cycle	Paychecks Issued Between:	# Paychecks
2024	Administration Lag	07/3/24 through 12/18/24	13
	Administration Extra Lag	7/3/24 through 12/18/24	13
	Institution Lag	6/27/24 through 12/12/24	13
	Institution Extra Lag	6/27/24 through 12/12/24	13

New enrollees: Full-time NYSCOPBA and DC-37-represented employees in Salary Grades (SG) 1–17 (or 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 a total of either 2 days (15.00 or 16 hours for 37.5- and 40 hour workweeks, respectively) or 4 days (30 or 32 hours for 37.5- and 40-hour workweeks, respectively) of previously accrued annual and/or personal leave at the time of enrollment in return for a credit of up to either \$400 or \$800, respectively, for the 2024 program year to be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks from June 27, 2024 through December 18, 2024.

New enrollees: Full-time NYSCOPBA and DC-37-represented employees in SG 18–24 (or non-statutory employees equated to SG 18–24, or 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), who enroll in the program will be eligible to forfeit a total of either 1.25 days (11.25 or 12.00 hours for 37.5- and 40-hour workweeks, respectively) or 2.5 days (18.75 or 20 hours for 37.5- and 40-hour workweeks, respectively) of previously accrued annual and/or personal leave at the time of enrollment in return for a credit of up to either \$375 or \$750, respectively, for the 2024 program year to be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks from June 27, 2024 through December 18, 2024.

DC-37-represented employees who previously enrolled for the 2024 PEP Program can elect to forfeit additional annual and/or personal leave in exchange for an increased credit amount.

Employees previously enrolled will not have to meet the requirement of having 8 days of combined annual and personal leave after making the forfeiture. Please see “Calculations” for new PEP credit.

Previously enrolled: Full-time DC-37-represented employees in SG 1–17 (or non-statutory employees equated to SG 1–17, or employees with an annual salary rate no greater than job rate of SG 17), have the following three choices:

1. Continue with previous enrollment (do not have to re-enroll).
2. Previous forfeiture – 3 Days: Elect to forfeit at the time of special enrollment a total of either an additional 1/2 day (3.75 or 4 hours for 37.5- and 40 hour workweeks, respectively) of previously accrued annual and/or personal leave in return for a credit of \$400 or an additional 2.5 days (18.75 or 20 hours for 37.5- and 40-hour workweeks, respectively) of previously accrued annual and/or personal leave in return for a credit of \$800.
3. Previous forfeiture – 6 Days: Elect to forfeit at the time of special enrollment a total of an additional 1 day (7.50 or 8 hours for 37.5- and 40 hour workweeks, respectively) of previously accrued annual and/or personal leave in return for a credit of \$800.

Credits for the 2024 program year will be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks from June 27, 2024 through December 18, 2024.

Previously enrolled: Full-time DC-37-represented employees in SG 18–24 (or non-statutory employees equated to SG 18–24, or 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), have the following three choices:

1. Continue with previous enrollment (do not have to re-enroll).
2. Previous forfeiture – 2 Days: Elect to forfeit at the time of special enrollment a total of either an additional 1/4 day (1.75 or 2 hours for 37.5- and 40 hour workweeks, respectively) of previously accrued annual and/or personal leave in return for a credit of \$375 or an additional 1.5 days (11.25 or 12 hours for 37.5- and 40-hour workweeks, respectively) of previously accrued annual and/or personal leave in return for a credit of \$750.
3. Previous forfeiture – 4 Days: Elect to forfeit at the time of special enrollment a total of an additional 1/2 day (3.75 or 4 hours for 37.5- and 40 hour workweeks, respectively) of previously accrued annual and/or personal leave in return for a credit of \$750.

Credits for the 2024 program year will be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks from June 27, 2024 through December 18, 2024.

As discussed below under “**ELIGIBILITY**,” part-time employees who meet the eligibility criteria for the program will be allowed to participate on a prorated basis during 2024.

Once enrolled for the program year, employees continue to participate for that program year unless they separate from State service or cease to be NYSHIP contract holders. (Note: If separated from service due to layoff and placed on a preferred list, the former employee will continue to participate.) 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.

The full leave forfeiture will be deducted from participants' leave balances at the time of enrollment.

During any program year in which an employee participates, the health insurance premium contribution credit established upon enrollment in the program will be adjusted only if the employee moves between individual and family coverage under NYSHIP during that program year. Therefore, once an employee enrolls for that program year, any subsequent changes in employment percentage, grade level, or bargaining unit during the program year will have no impact on the health insurance premium contribution credit. The employee will not receive any portion of the credit that exceeds the cost of the employee share of their NYSHIP health insurance premium.

Disputes arising from this program are not grievable. This program will sunset on December 31 of the last year of the negotiated contract agreement unless extended by mutual agreement of the parties.

ENROLLMENT

The special enrollment period for 2024 will be held from Tuesday, May 28, 2024 through Friday, June 28, 2024.

All interested employees will be required to submit an enrollment form for each program year in which they wish to participate.

ELIGIBILITY

In order to enroll an employee must:

- Be a NYSCOPBA or DC-37-represented employee, be a classified or unclassified service employee in the Executive branch in a title at Salary Grade 24 or below or equated to a position at or below Salary Grade 24;
- Have a minimum combined balance of annual and personal leave of at least 8 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

Part-time annual-salaried employees who meet the eligibility requirements may 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. In cases where the work schedules of such employees fluctuate, agencies should contact the Attendance and Leave Unit of the Department of Civil Service at (518) 457-2295 for guidance in determining the appropriate employment percentage. The same rounding principles described above for part-time annual-salaried employees should be applied to these employees.

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 dependent on bargaining unit and grade level under the program for 2024.

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 2024 program year, the credit that will be applied to participants' biweekly employee share premiums on a prorated basis and will be calculated as follows:

Full-Time Employees

For NYSCOPBA and DC-37-represented employees, grade 17 and below, the biweekly credit is equal to either \$30.77 (\$400 divided by 13 paychecks) OR \$61.54 (\$800 divided by 13 paychecks) OR the biweekly cost of the enrollee's employee share NYSHIP contribution, whichever is less.

For NYSCOPBA and DC-37-represented employees, grade 18 – 24, the biweekly credit is equal to either \$28.85 (\$375 divided by 13 paychecks) OR \$57.69 (\$750 divided by 13 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 the employee's biweekly credit multiplied by the employee's payroll/employment percentage OR the biweekly cost of the enrollee's employee share NYSHIP contribution, whichever is less.

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 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.

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