

## **2023 UUP & SUNY MC Productivity Enhancement Program (PEP) Description**

### **OVERVIEW**

The Productivity Enhancement Program (PEP) allows eligible UUP-represented and SUNY Management/Confidential (MC13) 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.

Eligible full-time employees with an annual salary of \$72,366 and below and eligible part-time employees whose salary is within this range at the time of enrollment who enroll in PEP for the 2023 plan year will forfeit either 3 days of annual leave or 6 days of annual leave at the time of enrollment, in return for a credit of up to \$600 or \$1,200, respectively, to be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks issued between January 1<sup>st</sup> through December 31<sup>st</sup> of 2023.

Additionally, eligible full-time employees earning more than \$72,366 and below \$103,413 and eligible part-time employees whose salary is within this range at the time of enrollment who enroll in PEP for the 2023 plan year will forfeit a total of 2 days of annual leave or 4 days of annual leave at the time of enrollment, in return for a credit of up to \$600 or \$1,200, respectively, to be applied toward the employee share of NYSHIP premiums.

Eligible part-time employees who participate will forfeit prorated days of annual leave per year of participation and receive a prorated credit toward the employee share of their health insurance premiums based on their payroll percentage.

The credit will be divided and distributed among the pay periods in the 2023 plan year to offset the cost of the enrollee’s employee share of the NYSHIP premium, up to the total biweekly employee premium cost. The biweekly value of the credit will NOT be adjusted for enrollees who do not pay all biweekly employee share deductions during the remainder of the plan year. Therefore, employees who do not expect to make all employee share premium payments during the remainder of the plan year may not wish to participate for 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 2016-22 State/UUP collective bargaining agreement.

### **ENROLLMENT**

The enrollment period for the 2023 plan year will be from **Tuesday, November 1, 2022 through Monday, December 12, 2022**. 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 below \$103,413 OR part-time employee whose biweekly salary is within this salary range at the time of enrollment;
3. Be an employee covered by the 2016-22 New York State/UUP Collective Bargaining Agreement or a SUNY MC employee;

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 2023 plan year, employees must meet all eligibility criteria at the time 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.

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

# UUP & SUNY M/C Productivity Enhancement Program for 2023 – Enrollment Form

Name \_\_\_\_\_ Last 4 digits of SS# \_\_\_\_\_

Health Insurance Plan \_\_\_\_\_ Individual [ ] or Family Coverage [ ] (CHECK ONE)

By signing this document, I elect to participate in the 2023 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 earning up to \$72,366 will surrender either 3 days or 6 days of annual leave in return for a credit of up to \$600 or \$1,200 to be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks issued in 2023, and full-time employees earning more than \$72,366 and below \$103,413 will surrender either 2 or 4 days of annual leave in return for a credit of up to \$600 or \$1,200 to be applied toward the employee share of NYSHIP premiums deducted from biweekly paychecks issued in 2023. I understand that part-time employees will forfeit annual leave on a prorated basis in accordance with their payroll/employment percentage in return for a prorated credit. I understand that ALL of these leave credits will be deducted from my leave balances at the time my enrollment is processed. I understand that no portion of this leave will be returned to me under any circumstances.

I wish to surrender \_\_\_ day(s) of annual leave. In exchange for surrendering 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 deducted from biweekly paychecks issued in 2023. The maximum possible amount of this credit for full-time employees is \$1,200. 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 premiums paid during this period.

I understand that this enrollment form only applies to the 2023 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 **Monday, December 12, 2022.**

Signature \_\_\_\_\_ Date \_\_\_\_\_

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### 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 2023. 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 2023. 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](mailto:pio@cs.state.ny.us).

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### **For Agency Human Resources Office Only:**

Full-time \_\_\_\_\_ Part-time \_\_\_\_\_ (check one)

Days of annual leave deducted from employee’s balance: \_\_\_\_\_ 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 Contribution Credit \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_