



Contract Administration

TO: Executive Board
Council Leaders

FROM: Lorraine Simpkins, Health Benefits Specialist

DATE: January 20, 2012

RE: 2012 Opt-out Program Incentive Payments

Effective January 1, 2012, the New York State Health Insurance Program (NYSHIP) began offering the Opt-out Program. This program allows eligible PEF-represented employees, who have other employer-sponsored group health insurance, to opt out of their NYSHIP coverage in exchange for an incentive payment.

The annual payment amount for opting out of NYSHIP coverage is \$1,000 for Individual coverage or \$3,000 for Family coverage. The opt-out amount is to be credited to the employee's biweekly pay check in the amount of \$38.47 for opting out of Individual coverage (\$1,000/26 paychecks rounded up) or \$115.39 for opting out of Family coverage (\$3,000/26 paychecks rounded up).

On January 18, 2012, we were advised by the NYS Department of Civil Service that the programmatic system changes needed to begin the opt-out payments have not yet been completed. Civil Service expects these changes to be made by the end of February. The opt-out payments will begin as soon as these system changes are completed. The retroactive incentive amounts that are owed to employees enrolled in the Opt-out Program will be paid in the first check that includes the incentive payment. Regular opt-out payments will continue on a biweekly basis thereafter.

In future years, the annual Opt-out Program incentive payments will begin with the start of the new plan year (i.e., the closest pay check to January 1).

cc: Elizabeth Hough, Director of Contract Administration