



NYSHIP Premiums Based on Levels of Wages and Salary FAQ

Applicable to Contract College Health Plans for Faculty and Staff

Updated for 2019

[accordion]

When does the new salary level take effect for the 2019 NYSHIP premiums?

Part of the collectively bargained agreement was the introduction of salary-sensitive premiums. Many employers have salary-sensitive premium schedules. NY State decided to use just two levels, charging more in premium dollars for those in the higher salary range, beginning January 3, 2019. We expect that the State will keep this salary-sensitive premium arrangement in the future, based on State salary grades.

How do the salary grades translate into Cornell salary levels?

Since we do not use the State salary grades in our compensation system, the NY State Department of Civil Service (DCS) provided Benefit Services with the following guidance we must follow when remitting health plan premiums to the DCS each month. Annually, Cornell must report to the DCS the salary grades of all health plan participants as of October 1. Those participants who make up to and including \$45,887 are assigned the lower premium tier. Those whose annual pay exceeds \$45,887 must be assigned to the higher premium tier.

How must Cornell annualize wages or salary?

Full time salaried faculty and staff have their compensation already communicated as an annual amount. Thus, the \$45,887 breakpoint should be clear.

Full time staff who are paid on an hourly basis, according to the DCS, must have their hourly rate multiplied by the number of work hours in a full time schedule for the year.

Part time faculty and staff by order of the DCS will have their hourly rate as represented in the HR/Payroll database annualized as if they were full time. Then, they can compare this annualized salary at full time to the \$45,887 threshold to determine their premium level.

Part time faculty and staff are going to pay at the same premium tier as full time faculty and staff?

Yes, the DCS made it very clear that Cornell must report the hourly rate of each individual and multiply that rate by the number of hours in a year that a full-time, year-around worker would work to arrive at the compensation level for the year and the premium tier that is appropriate for each individual. This is so, even if a person only works seasonally, or if the work schedule varies throughout the year.

The formula is (hourly rate) X (2088 work hours in a year) = annual compensation.

What hourly rate is used?

The University's HR/Payroll database has an hourly rate calculated for each person on payroll. The DCS has determined that the hourly rate to use in the premium tier calculation will be the hourly rate of the person on October 1, 2018.

How will employees on unpaid leaves of absence (LWOP), layoff or COBRA have their premium tier calculation figured?

Employees on a LWOP pay the full cost of the total premium. Salary based tier pricing does not apply.

Employees on layoff will have their premium tier calculation based hourly rate immediately prior to the layoff in the system on 10/1/2018.

Employees on short-term layoff: DCS considers this status as a Leave without pay (LWOP) and expect these people to be treated the same way as (a) above.

Employees who go onto COBRA: DCS will bill for the entire cost of the coverage plus 2% to account for additional administrative expenses.

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