**§ 167. Contributions.** 1. (a) The full cost of premium or subscription charges for the coverage of retired state employees who are enrolled in the statewide and the supplementary health benefit plans established pursuant to this article and who retired prior to January first, nineteen hundred eighty-three shall be paid by the state. Nine-tenths of the cost of premium or subscription charges for the coverage of state employees and retired state employees retiring on or after January first, nineteen hundred eighty-three who are enrolled in the statewide and supplementary health benefit plans shall be paid by the state. Three-quarters of the cost of premium or subscription charges for the coverage of dependents of such state employees and retired state employees shall be paid by the state. Except as provided in paragraph (b) of this subdivision, the state shall contribute toward the premium or subscription charges for the coverage of each state employee or retired state employee who is enrolled in an optional benefit plan and for the dependents of such state employee or retired state employee the same dollar amount which would be paid by the state for the premium or subscription charges for the coverage of such state employee or retired state employee and his or her dependents if he or she were enrolled in the statewide and the supplementary health benefit plans, but not in excess of the premium or subscription charges for the coverage of such state employee or retired state employee and his or her dependents under such optional benefit plan. For purposes of this subdivision, employees of the state colleges of agriculture, home economics, industrial labor relations, and veterinary medicine, the state agricultural experiment station at Geneva, and any other institution or agency under the management and control of Cornell university as the representative of the board of trustees of the state university of New York, and employees of the state college of ceramics under the management and control of Alfred university as the representative of the board of trustees of the state university of New York, shall be deemed to be state employees whose salaries or compensation are paid directly by the state.

(b) Effective January first, nineteen hundred eighty-nine, notwithstanding any other law, rule or regulation, and where, and to the extent that, an agreement between the state and an employee organization entered into pursuant to article fourteen of this chapter so provides or where and to the extent the employee health insurance council so directs

with respect to any other state employees and for retired state employees retiring on or after January first, nineteen hundred eighty-three, the state shall contribute nine-tenths of the cost of premiums or subscription charges for coverage of each such state employee or retired state employee who is enrolled in an optional benefit plan and three-fourths of such premium or subscription charges for dependents of such state employees or retired state employees enrolled in such optional benefit plan; provided, however, effective January first, nineteen hundred ninety-six, the contribution rates for the hospitalization and medical components of each optional benefit plan shall not exceed one hundred percent of the dollar amount of the state's contribution toward the hospitalization and medical components of individual and dependent coverage, respectively, in the Empire Plan. In the case of state employees retiring prior to January first, nineteen hundred eighty-three, the state shall contribute one hundred percent of the individual premium and three-fourths of such premium for dependents of such retired employees enrolled in such optional benefit plan; however, these contribution rates shall not exceed one hundred percent of the employer dollar amount contribution for individual and dependent coverage respectively in the Empire Plan.

2. Each participating employer shall be required to pay not less than fifty percentum of the cost of premium or subscription charges for the coverage of its employees and retired employees who are enrolled in the statewide only or the statewide and comparable supplementary health benefit plans established pursuant to this article. Such employer shall be required to pay not less than thirty-five percentum of the cost of premium or subscription charges for the coverage of dependents of such employees and retired employees. Such employer shall contribute toward the premium or subscription charges for the coverage of each employee or retired employee who is enrolled in an optional benefit plan and for the dependents of such employee or retired employee the same dollar amount which would be paid by such employer for the premium or subscription charges for the coverage of such employee or retired employee and his or her dependents if he or she were enrolled in the statewide health benefit plan, but not in excess of the premium or subscription charges for the coverage of such employee or retired employee and his or her

dependents under such optional benefit plan. Such employer shall not be required to pay the cost of premium or subscription charges for the coverage of unpaid elected officials, or unpaid board members of a public authority, or their dependents, provided, however that no unpaid board member of a public authority shall be eligible to participate in such benefit plan until he or she has served in such position for at least six months. Subject to such regulations as the president may prescribe, any participating employer may elect to pay higher rates of contribution for the coverage of employees, retired employees and their dependents; provided, however, that if a participating employer elects to pay a higher or lower rate of contribution for its retired employees or their dependents, or both, than that paid by the state for its retired employees or their dependents, or both, amounts withheld from the retirement allowances of such retired employees for their share of premium or subscription charges, if any, shall, if the president so requires, be paid to such participating employer which shall pay into the health insurance fund the full cost of premium or subscription charges for the coverage of such retired employees and their dependents. Such election shall be exercised by the adoption of a resolution by its governing body which, if required by law to be approved by any other body or officer, shall have been so approved.

3. Contributions, if any, required to be paid by an employee or a retired employee for his or her coverage and for the coverage of his or her dependents, if any, shall be deducted from his or her salary payments or from his or her retirement allowance, as the case may be. Upon the written request of a survivor of such retirees or employees, such contribution required to be paid for continued insurance coverage shall be deducted from any retirement allowance to which he or she is entitled.

4. Upon the retirement, on or after July first, nineteen hundred sixty-five, of a state employee whose salary or compensation is paid directly by the state, who is subject to a plan established by law, rule, regulation, written order or written policy which provides for the regular earning and accumulation of sick leave, and who is eligible to continue coverage under the health benefit plan after retirement, the

department shall determine, based on the employee's age at the time of retirement, the actuarial equivalent in monthly installments for the remaining life expectancy of such retired employee, of the dollar value of the earned and accumulated but unused sick leave standing to his or her credit at the time of retirement, without interest. Such dollar value shall be based on the employee's salary at the time of retirement. In addition to regular employer contributions, contributions in the amount of such monthly installments shall be paid from the state's appropriation to the health insurance fund and applied towards the charges for health benefits on account of such retired employee and his or her dependents, to the extent necessary to pay such charges. The remaining amount, if any, necessary to pay such charges shall be contributed by such retired employee. On or after October first, nineteen hundred seventy when such dollar value of such sick leave amounts to less than one hundred dollars for a particular retired employee, in lieu of contributions which would otherwise be required from such retired employee, additional contributions shall be paid for the state's appropriation to the health insurance fund and applied towards the charges for health benefits on account of such retired employee and his or her dependents until the sum of such additional contributions equals such dollar value of such sick leave. The remaining amount, if any, necessary to pay such charges shall be contributed by such retired employee. For purposes of this subdivision, employees of the state colleges of agriculture, home economics, industrial labor relations, and veterinary medicine, the state agricultural experiment station at Geneva, and any other institution or agency under the management and control of Cornell university as the representative of the board of trustees of the state university of New York, and employees of the state college of ceramics under the management and control of Alfred university as the representative of the board of trustees of the state university of New York, shall be deemed to be state employees whose salaries or compensation is paid directly by the state.

5. Subject to such regulations as the president may prescribe, any participating employer may elect to make additional contributions towards charges for health benefit coverage on account of its retired employees and their dependents, based on the dollar value of their sick

leave accumulated but unused at the time of retirement. Such election shall apply to employees in the service of the participating employer who retire on or after the effective date of such election, who are subject to a plan established by law, rule, regulation, written order or written policy which provides for the regular earning and accumulation of sick leave, and who are eligible to continue coverage under the health benefit plan after retirement. The participating employer shall certify to the department the dollar value of earned and accumulated but unused sick leave standing to the credit of an employee at the time of his or her retirement. Additional contributions shall be paid by such participating employer and applied towards charges for health benefits on account of its retired employees and their dependents in the same manner as provided in subdivision four of this section with respect to retired state employees and their dependents.

6. There is hereby created a health insurance fund which shall be available without fiscal year limitation for premium or subscription charge payments, for payment of health benefits to plan participants, and for administrative services under any contract or contracts purchased in accordance with this article. The amounts withheld from employees and retired employees under subdivision three of this section, all amounts appropriated by the state to such health insurance fund, and all amounts contributed by any participating employer pursuant to subdivision two of this section, shall be credited to such health insurance fund. The income derived from any dividends, premium rate adjustments or other refunds under any such contract or contracts shall be credited to such fund and retained therein as a special reserve for adverse fluctuation in future charges under any such contract or contracts. Any interest earned by the investment of moneys in such health insurance fund shall be added to such special reserve, become a part of such special reserve, and be used for the purpose of such special reserve.

7. The amounts required to be paid to any contracting corporation under any contract entered into pursuant to the provisions of this article shall be payable from such health insurance fund as audited by and upon the warrant of the comptroller on vouchers certified or

approved by the president.

8. Notwithstanding any inconsistent provision of law, where and to the extent that an agreement between the state and an employee organization entered into pursuant to article fourteen of this chapter so provides, the state cost of premium or subscription charges for eligible employees covered by such agreement may be modified pursuant to the terms of such agreement. The president, with the approval of the director of the budget, may extend the modified state cost of premium or subscription charges for employees or retirees not subject to an agreement referenced above and shall promulgate the necessary rules or regulations to implement this provision.

9. Any interest earned by the investment of moneys in the dental insurance fund shall be added to such fund, become a part of such fund, be used for the purpose of such fund, and be available without fiscal year limitation.