

## A.2 FRINGE BENEFITS – OBJECT 01

### ✎ ✎ FICA Contributions (0151)

FICA is calculated as follows:

- (1) NEW FOR FY 2019 – Calculate only on subobject 0101 for each position
- (2) If the total of 0101 for one position is equal to or less than \$139,424, multiply the sum by .0728. The result is the amount for 0151 for one position.
- (3) If the total of 0101 for one position exceeds \$139,424:
  - (a) Multiply \$139,424 by .0728.
  - (b) Multiply the difference between the annual salary and \$139,424 by .0145.
  - (c) Add the result of these calculations to get the total 0151 for one position.

The rate and ceiling used for regular payroll employees reflect an adjustment for the non-taxability of certain employee-paid health insurance and "spending account" items.

### ✎ Employee Health Insurance (0152) and Retiree Health Insurance (0154)

NEW FOR FY 2019 - Agencies must budget employee health insurance (0152) and retiree health insurance (0154) at the same level as the FY 2018 legislative appropriation. Like other controlled subobjects, DBM will determine the final health insurance rate, with agency input, for each agency in December. Agencies are not required to submit a DA-2A with the FY 2019 budget submission. **Specifically, the agency budget submission for 0152 and 0154 must reconcile agency-wide with FY 2018, by fund type.** Note that the Excel budget submission template includes these values already populated.

As in the past, DBM requests that agencies with health insurance supported by non-general funds prepare for the cost of rate increases by setting aside special and federal fund balance for this expense – separate guidance will be provided at a later date.

Note: Retiree health insurance amounts paid directly to vendors by the agency are to be requested in R\*STARS Comptroller Object 0153 and shall be calculated in accordance with each contractual agreement in effect. The terms of the agreement are to be specifically provided on a [DA-2 form](#) along with the calculation used to arrive at the per-employee cost.

### Pay for Performance Bonuses (0156)

Do not budget in FY 2019.

### Other Post-Employment Benefits (0157)

Do not budget in FY 2019.

### Retirement/Pension Systems

The amounts requested for retirement and pensions are to be calculated as follows:

Request amount of subobject 0101	X	Percentage listed in <a href="#">Section B.14</a> for the specific retirement program as listed below
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<u>SUBJECT</u>	<u>SUBJECT TITLE</u>
0161	Employee, Correctional Officer, and Legislative Retirement Systems
0163	Teachers' Retirement System
0165	State Police Retirement System
0166	Judges' Pension System (including Magistrates)
0167	Mass Transit Administration Pension System
0168	Optional Retirement/Pension System (TIAA)
0169	Natural Resources Law Enforcement Officer Pension System
0170	Other Retirement Systems
0171	Other Pension Systems

⚡ **Note: Comptroller Objects 0162 and 0164 are not to be used for requesting retirement and pension allowances.**

**Deferred Compensation (Comptroller Object 0172)**

Do not budget in FY 2019.

**Unemployment Compensation Insurance (Comptroller Object 0174)**

Amounts relating to the regular payroll shall be computed by:

Amount requested for Comptroller Object 0101 X 0.28% ([Section B.14](#))

**Workers' Compensation Premiums (Comptroller Object 0175)**

Use the same General Fund and Non-General Fund amounts in the FY 2019 request as in the FY 2018 legislative appropriation. DBM will adjust this subobject after the FY 2019 budget submission. **This is the case even if you have information that the amount will be lower in FY 2019.**

⚡ **Turnover (Comptroller Object 0189)**

Turnover on existing positions should be set at “reasonable” levels that reflect normal resignation/recruitment activity at the program level. The turnover rate used for a subprogram (or program if subprograms are not used) must be reported on a [DA-2](#). **Turnover should not be used as a “plug” figure to meet the GENERAL FUND target.**

- Turnover on existing positions should normally not be less than 2%.
- Turnover for contractual conversions should be set at the levels used for existing permanent positions.
- New position turnover should generally equal **25%** to reflect the time that it commonly takes to establish and fill the position.

Turnover should be computed using the sum of the following Comptroller Objects:

- Regular Earnings (Comptroller Object 0101)
- Social Security Contributions (Comptroller Object 0151)
- All applicable retirement/pension systems (Comptroller Objects 0161-0171)
- Unemployment Insurance (Comptroller Object 0174)

**HEALTH INSURANCE (0152) AND STATE SUBSIDY FOR RETIREES' HEALTH INSURANCE (0154) ARE NOT INCLUDED IN THE TURNOVER CALCULATION.**

The following example should be used if turnover for new positions is combined with turnover on existing positions. The different rates and the amounts that apply should be reported.

\$335,623 (salary and fringes on current positions)	X 3% for current positions	= \$10,069
added to		
\$31,323 (salary and fringes of new positions)	X 25% for new positions	= \$7,831
EQUALS TURNOVER OF		\$17,900

The turnover amount should be entered as a negative amount in Comptroller Object 0189.

**Other Fringe Benefit Costs (Comptroller Object 0199)**

Use for fringe benefit costs that are not categorized within any of the specific Object 01, Salaries and Wages, Comptroller Objects. Agency should include supporting justification for such a request on the [DA-2 form](#).

For information regarding benefits for Contractual Employees, please see [Section B.3](#).

All fringe benefits rates are listed in [Section B.14](#).