

A.2 FRINGE BENEFITS – OBJECT 01

FICA Contributions (0151)

Subobject 0151 – FICA will be automatically calculated within BARS during the Position Reconciliation process based on each position's class code and step. The calculations performed by BARS are as follows:

- (1) If the total of 0101 for one position is equal to or less than \$139,424, multiply the sum by 0.0728. The result is the amount for 0151 for one position.
- (2) If the total of 0101 for one position exceeds \$139,424:
 - a. Multiply \$139,424 by 0.0728.
 - b. Multiply the difference between the annual salary and \$139,424 by 0.0145.
 - 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)

BARS will validate that agencies budget employee health insurance (0152) and retiree health insurance (0154) at the same level as the FY 2020 legislative appropriation. **Specifically, the agency budget submission for 0152 and 0154 must reconcile agency-wide with FY 2020, by fund type.** Like other controlled subobjects, DBM will determine the final health insurance rate, with agency input, for each agency in December. Note that BARS includes these values already populated. **Agencies are encouraged to realign the health insurance request to programs with budgeted positions.**

As in the past, DBM requests that agencies with health insurance supported by non-general funds prepare for the cost of possible rate increases by setting aside special and federal fund balance for this expense.

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 using a line item comment in BARS along with the calculation used to arrive at the per-employee cost.

Pay for Performance Bonuses (0156)

Do not budget in FY 2021.

Other Post-Employment Benefits (0157)

Do not budget in FY 2021.

Retirement/Pension Systems

Retirement subobjects will be calculated within BARS based on each position’s class code, step and retirement code. The calculations performed by BARS are as follows:

Request amount of subobject 0101 **X** Percentage listed in [Section B.14](#) for the specific retirement program as listed below

<u>SUBOBJECT</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 2021.

Unemployment Compensation Insurance (Comptroller Object 0174)

Subobject 0174 – UI will be calculated within BARS based on each position’s class code and step. Amounts relating to the regular payroll will be computed by:

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

Workers' Compensation Premiums (Comptroller Object 0175)

The FY 2021 amounts and fund distribution will be pre-populated in BARS at the same level as the FY 2020 legislative appropriation. DBM will adjust this subobject after the FY 2021 budget submission. **This is the case even if you have information that the amount will be lower in FY 2021.**

Turnover (Comptroller Object 0189)

Turnover on all positions should be considered at the subprogram level (or program level if subprograms are not used) rather than being calculated on individual PINs. This will result in a level of turnover that reflects historical/normal resignation and recruitment activity at the subprogram or program level. The turnover rate used for the subprogram or program must be reported using a line item comment in BARS. **Turnover should not be used as a “plug” figure to meet the GENERAL FUND target unless the agency is prepared to operate with the higher rate.**

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			
<u>\$31,323 (salary and fringes of new positions)</u>	<u>X</u>	<u>-25% for new positions</u>	<u>= (\$7,831)</u>
EQUALS TURNOVER OF			(\$17,900)

The turnover amount should be entered as a negative amount in Comptroller Object 0189.
BARS also includes a tool for calculating and applying turnover rates across programs, units, and agency-wide.

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 using the comment field in BARS

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

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