

NEIL ABERCROMBIE  
GOVERNOR



KALBERT K. YOUNG  
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**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER  
PUBLIC UTILITIES COMMISSION

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

July 10, 2014

FINANCE MEMORANDUM

MEMO NO. 14-10

TO: All Department Heads  
FROM: Kalbert K. Young  
Director of Finance  
SUBJECT: Interim Fringe Benefit Rates for FY 15

Act 163, SLH 2011, establishes the pension accumulation contribution rate for FY 15 at 24.0% for police officers, firefighters, and corrections officers, and 16.5% for all other employees. Because we are already in the first quarter of FY 15, the interim rate is being transmitted to you for your information and records. Until new fringe benefit rates are approved by the U.S. Department of Health and Human Services, the following interim fringe benefit rates for FY 15 will be in effect:

	<u>Interim FY 14 Rate</u>	<u>Interim FY 15 Rate</u>
Pension Accumulation	16.00%	16.50%
Pension Administration	.01%	.01%
Retiree Health Insurance	10.35%	10.35%
Employees' Health Fund	6.84%	6.84%
Workers' Compensation	.88%	.88%
Unemployment Compensation	.31%	.31%
Social Security	6.20%	6.20%
Medicare	<u>1.45%</u>	<u>1.45%</u>
Composite Rate	42.04%	42.54%

Should you have any questions or require further information, please contact me, or your staff may contact Mr. Neal Miyahira, Administrator of this department's Budget, Program Planning and Management Division, at 586-1530.