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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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

February 29, 2016

FINANCE MEMORANDUM

MEMO NO. 16-03

TO: All Department Heads

FROM: Wesley K. Machida
Director of Finance

SUBJECT: Approved Fringe Benefit Rate for FY 16

A composite fringe benefit rate (RATE) of 49.54% has been approved by the U.S. Department of Health and Human Services (DHHS) for FY 16 (attached). The RATE consists of the following fringe benefit items and computed rates:

	<u>Approved FY 16 Rate</u>
Pension Accumulation	17.00%
Pension Administration	0.00%
Retiree Health Insurance	8.07%
Employees' Health Fund	7.62%
Workers' Compensation	1.27%
Unemployment Compensation	0.15%
Social Security	6.20%
Medicare	1.45%
Other Post-Employment Benefits	<u>7.78%</u>
Composite Rate	49.54%

It is noted that for FY 16, the pension accumulation rates are as follows:

<u>Job Category</u>	<u>Employer Contribution Rate</u>	<u>Statutory Authorization</u>
General Employees	17.00%	Act 163, SLH 2011
Special Categories (Police Officers, Firefighters, and Corrections Officers)	25.00%	Act 163, SLH 2011
Retiree – Return to Work General Employees	11.25%	Act 179, SLH 2010
Retiree – Return to Work Special Categories (Police Officers, Firefighters, and Corrections Officers)	16.90%	Act 121, SLH 2009

It is also noted that the approved FY 16 RATE includes an assessment rate for the Other Post-Employment Benefits (of 7.78%) for the first time.

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.

Attachment