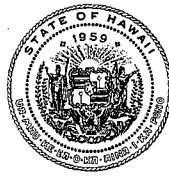


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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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

June 18, 2018

FINANCE MEMORANDUM

MEMO NO. 18-10

TO: All Department Heads

FROM: Laurel A. Johnston
Director of Finance

SUBJECT: Interim Fringe Benefit Rates for FY 19

Act 17, SLH 2017, establishes the pension accumulation contribution rate for FY 19 at 31% for police officers, firefighters, and corrections officers, and 19% for all other employees. The rates for FY 17 are the latest approved rates. 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 19 will be in effect:

	<u>Approved FY 17 Rate</u>	<u>Interim FY 19 Rate</u>
Pension Accumulation	17.00%	19.00%
Pension Administration	.00%	.00%
Retiree Health Insurance	9.39%	9.39%
Employees' Health Fund	7.60%	7.60%
Workers' Compensation	1.06%	1.06%
Unemployment Compensation	.09%	.09%
Social Security	6.20%	6.20%
Medicare	1.45%	1.45%
Other Post-Employment Benefits	<u>12.69%</u>	<u>12.69%</u>
Composite Rate	55.48%	57.48%

It is noted that for FY 19, the pension accumulation rates are as follows:

<u>Job Category</u>	<u>Employer Contribution Rate</u>	<u>Statutory Authorization</u>
General Employees	19.00%	Act 17, SLH 2017
Special Categories (Police Officers, Firefighters, and Corrections Officers)	31.00%	Act 17, SLH 2017
Retiree – Return to Work General Employees	15.20%	Not Applicable*
Retiree – Return to Work Special Categories (Police Officers, Firefighters, and Corrections Officers)	23.90%	Not Applicable*

*Retiree – Return to Work rates are determined by the Actuary.

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.