

DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
DIRECTOR

KEN N. KITAMURA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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)

July 25, 2018

FINANCE MEMORANDUM

MEMO NO. 18-13

TO: All Department Heads

FROM: Laurel A. Johnston *Laurel Johnston*
Director of Finance

SUBJECT: Negotiation Agreement Approving Central Services Costs and Fringe Benefit Rates for FY 18

Attached is a copy of the negotiation agreement between the State of Hawai'i and the U.S. Department of Health and Human Services on behalf of the federal government approving central services costs and fringe benefit rates for the fiscal year ending June 30, 2018.

Although FY 18 is already completed, the negotiation agreement is being transmitted to you for your information and records.

Please note that the central services costs listed in Exhibit A of the agreement are costs that may be allocated only to federal grants, contracts, and other agreements performed by your departments and attached agencies. They should not be construed to reflect the full costs of central services provided to you.

As previously reported in Finance Memorandum No. 18-12, dated July 19, 2018, the fringe benefit rate for FY 18 consisted of the following items:

	<u>FY 18</u>
Pension Accumulation	18.00%
Pension Administration	0.01%
Retiree Health Insurance	10.14%
Employees' Health Fund	7.69%
Workers' Compensation	1.24%
Unemployment Compensation	0.02%
Social Security	6.20%
Medicare	1.45%
Other Post-Employment Benefits	<u>14.33%</u>
Composite Rate	59.08%

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