



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

June 17, 2019

FINANCE MEMORANDUM

MEMO NO. 19-07

TO: All Department Heads

FROM: Robert Yu
Acting Director of Finance

SUBJECT: Interim Fringe Benefit Rates for FY 20

Act 17, SLH 2017, establishes the pension accumulation contribution rate for FY 20 at 36% for police officers, firefighters, and corrections officers, and 22% for all other employees. The rates for FY 18 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 20 will be in effect:

	<u>Approved FY 18 Rate</u>	<u>Interim FY 20 Rate</u>
Pension Accumulation	18.00%	22.00%
Pension Administration	0.01%	0.01%
Retiree Health Insurance	10.14%	10.14%
Employees' Health Fund	7.69%	7.69%
Workers' Compensation	1.24%	1.24%
Unemployment Compensation	0.02%	0.02%
Social Security	6.20%	6.20%
Medicare	1.45%	1.45%
Other Post-Employment Benefits	<u>14.33%</u>	<u>14.33%</u>
Composite Rate	59.08%	63.08%

It is noted that for FY 20, the pension accumulation rates are as follows:

<u>Job Category</u>	<u>Employer Contribution Rate</u>	<u>Statutory Authorization</u>
General Employees	22.00%	Act 17, SLH 2017
Special Categories (Police Officers, Firefighters, and Corrections Officers)	36.00%	Act 17, SLH 2017
Retiree – Return to Work General Employees	18.20%	Not Applicable*
Retiree – Return to Work Special Categories (Police Officers, Firefighters, and Corrections Officers)	28.90%	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.