



MEMORANDUM

October 4, 2017

TO: Vice Presidents, Chancellors, Deans and Directors  
Fiscal Administrators and Administrative Officers

VIA: Vassilis L. Syrmos   
Vice President for Research and Innovation

FROM: Darcie Yoshinaga   
Interim Director, Office of Research Services

SUBJECT: Updated FY 2018 Fringe Rates Schedule

The following is the FY 2018 composite fringe rate schedule for use in proposals for UH employees. The non-UH rates are based on the approved interim State of Hawaii fringe benefit rates for FY 18 (State of Hawaii Department of Budget and Finance Memo No. 17-14), except for the Pension Accumulation fringe rate which reflects the increased rate pursuant to Act 17, SLH 2017<sup>1</sup>. The UH rates reflected below have been approved by US DHHS for FY 18. Refer to RCUH HR Policies No. 3.510 for estimated fringe benefit rates for RCUH employees. If the actual fringe rate for an employee is known, it should be used instead.

<u>Benefit</u>	<u>Subcode</u>	<u>Faculty</u>	<u>Staff</u>	<u>Graduate Assistant</u>	<u>Casual Hire</u>	<u>Student</u>	<u>Overload</u>
FICA	2x37	6.20%	6.20%	0.00%	0.00%	0.00%	0.00%
Medicare	2x43	1.45%	1.45%	0.00%	1.45%	0.00%	1.45%
Workers' compensation (UH)	2x41	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%
Unemployment insurance (UII)	2x42	0.17%	0.17%	0.00%	0.17%	0.00%	0.17%
Terminal vacation payout (UH) <sup>2</sup>	2x49	1.77%	1.77%	0.00%	0.00%	0.00%	0.00%
Pension accumulation	2x34	18.00%	18.00%	0.00%	0.00%	0.00%	0.00%
Pension administration	2x36	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other post-employment benefits	2x33	12.69%	12.69%	0.00%	0.00%	0.00%	0.00%
Retiree health	2x44	9.39%	9.39%	0.00%	0.00%	0.00%	0.00%
Rates before health fund		50.53%	50.53%	0.86%	2.48%	0.86%	2.48%
State health fund estimate	Various	7.60%	7.60%	11.14%	0.00%	0.00%	0.00%
Composite fringe rate		58.13%	58.13%	12.00%	2.48%	0.86%	2.48%

<sup>1</sup> Effective July 1, 2017, the Employees' Retirement System (ERS) employer's contribution rate will increase each year until June 30, 2021. For more information, please refer to OHR Website (<https://www.hawaii.edu/ohr/hr/hr-announcements/ersemployercontributionrates>). See below.

<sup>2</sup> Applicable only for employees eligible for accrued vacation payout.

Should you have any questions, please contact Kevin Hanaoka, Interim Cost Studies and Rate Analysis Manager at 956-7874.

REVISION: Please refer to ERS web site: <http://ers.ehawaii.gov/wp-content/uploads/2013/04/May-30-2017-New-Employer-Rates-Effective-July-1-2017.pdf>