




June 1, 2020

MEMORANDUM

TO: Vice Presidents, Provost, and Chancellors

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

SUBJECT: Preliminary FY 2021 Fringe Rates Schedule

These are the preliminary FY 2021 composite fringe rates for use in proposals for University of Hawai‘i (UH) employees. The UH rates reflected below have been proposed to U.S. Department of Health and Human Services (DHHS) for FY 21. The Pension Accumulation fringe rate reflects the increased rate pursuant to Act 17, SLH 2017¹. We anticipate updating the schedule when U.S. DHHS approves the UH rates and when the interim FY 2021 State Department of Budget and Finance negotiated fringe rates memo is issued. NOTE: If the actual fringe rate for a UH employee is known, it should be used instead of these rates.

Refer to RCUH HR Policies No. 3.510 for estimated fringe benefit rates for RCUH employees.

<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	0.48%	0.48%	0.48%	0.48%	0.48%	0.48%
Unemployment insurance (UH)	2x42	0.14%	0.14%	0.00%	0.14%	0.00%	0.14%
Terminal vacation payout (UH) ²	2x49	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pension accumulation	2x34	24.00%	24.00%	0.00%	0.00%	0.00%	0.00%
Pension administration	2x36	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%
Other post-employment benefits	2x33	14.33%	14.33%	0.00%	0.00%	0.00%	0.00%
Retiree health	2x44	10.14%	10.14%	0.00%	0.00%	0.00%	0.00%
Rates before health fund		56.75%	56.75%	0.48%	2.07%	0.48%	2.07%
State health fund estimate	Various	7.69%	7.69%	13.45%	0.00%	0.00%	0.00%
Composite fringe rate		64.44%	64.44%	13.93%	2.07%	0.48%	2.07%

¹ 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 ERS Website (<http://ers.chawaii.gov/wp-content/uploads/2013/04/May-30-2017-New-Employer-Rates-Effective-July-1-2017.pdf>).

² Applicable only for employees eligible for accrued vacation payout.

Should you have any questions, please contact Kevin Hanaoka, Director, Cost Studies and Rate Analytics at (808) 956-7874. Please distribute this information to your respective campus and/or office personnel as appropriate.