

M E M O R A N D U M
#02-15

TO: All Department & School Fiscal Officers

FROM: Trisha L. Neely

DATE: May 23, 2002

SUBJECT: **TENTATIVE FY 2003 FRINGE BENEFITS COSTS**

Tentative charges for fringe benefits for **Fiscal Year 2003** are as follows (if there are any changes you will be promptly notified):

F.I.C.A. - EMPLOYER'S SHARE

The **Maximum Old Age Survivors Disability Insurance (O.A.S.D.I.)** withholding effective for the period July 1, 2002 through December 31, 2002 is based on earnings of \$84,900 at a rate of 6.2%. The earnings maximum for Medicare withholding effective for the period July 1, 2002 through December 31, 2002 is unlimited at a rate of 1.45%. Effective **January 1, 2003**, the employer rate is expected to remain 6.2% for O.A.S.D.I. and 1.45% for Medicare. The O.A.S.D.I. maximum earnings is **estimated** to be \$89,400 and the Medicare maximum earnings will be unlimited.

PENSION

The pension cost calculation rate for **FY 2003** is currently expected to be 9.22%.

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HEALTH INSURANCE

Effective July 1, 2002 the State's contribution for eligible employees is attached. An eligible employee is one with three (3) months or more continuous full-time service.

WORKER'S COMPENSATION/DEFERRED COMPENSATION MATCH

The rate effective July 1, 2002 for FY 2003 is expected to be 1.22% of payroll.

UNEMPLOYMENT INSURANCE

The rate effective July 1, 2002 for FY 2003 is expected to be 0.12% of payroll.

NOTE: All employer fringe benefits above will automatically be charged to budgetary accounts.

All payroll recordings (Object codes 1001-1199) are to be done on an EX form. For schools, all General Fund payroll appropriations 0101 through 0136, and 0138 will have employer fringe benefits charged to appropriation 0139. For all non-school agencies, salaries will be charged to appropriation 0137 and will have fringes charged to 0137. Therefore, **unless** payroll recordings are between schools' General Fund appropriations 0101 and 0136, and 0138, the EX form must also show recoding of all applicable fringe benefits between the payroll accounts being recoded.

TLN/bb

Attachment