

SECTION 145: PAYROLL ASSESSMENT POLICY

1. General. The payroll assessments referred to by this policy are those for the employer's share (as contrasted to any related employee's share) of the following payroll-related costs:
 - (a) Social security
 - (b) Regular retirement
 - (c) Post retirement
 - (d) Retirement administration expense
 - (e) Medical insurance
 - (f) Dental insurance
 - (g) Group life insurance
 - (h) Workers' compensation
 - (i) Unemployment compensation

2. Approach to Assessment.
 - (a) Generally, all payroll payments charged to an appropriation account (such as appropriation symbol G-78-111-M) are either all assessed, or all not assessed; therefore, an appropriation account can be generally considered an assessed account, or a non-assessed account.
 - (b) In some cases, however, there is a necessity for assessing some payroll payments charged to an appropriation account, but not others; in such cases, the assessibility relates to individual employees, rather than to the appropriation account as a whole.
 - (c) In other cases, there are some costs (as identified in the first paragraph of this section) that are not assessed to a particular appropriation account, or to a particular employee. For example, because of federal program requirements, the payroll payments under a particular federal appropriation account, or to a particular federal employee, may not be chargeable for workers' compensation assessment, although all other costs may be assessed as allowed by the federal program.

SECTION 145: PAYROLL ASSESSMENT POLICY3. Appropriation Accounts Assessed.

- (a) All General Fund appropriation accounts are not assessed the employer's share of the costs identified in the first paragraph of this section. The employer's share of such costs is funded through "lump sum" appropriations to which related expenditures are charged.
- (b) All appropriations accounts other than those described in paragraph 3(a) are assessed the employer's share of the costs identified in the first paragraph of this section, with the exceptions described in paragraph 5.

4. Subsequent Adjustments to Assessments.

- (a) Frequently when non-General Funded appropriation accounts are involved, payroll charges are made to General Fund appropriation accounts with subsequent adjustments to charge the non-General Fund accounts. Unless the adjustments are processed through the payroll accounting system, the payroll adjustments escape the assessment from the payroll system. It is then the individual expending agency's responsibility to compute the assessed amounts promptly and to pay directly to the appropriate agencies that should receive the assessments.
- (b) The agencies that should be receiving these assessments from departments are:
 - (1) Employees' Retirement System:
 - Social security
 - Regular retirement
 - Post retirement
 - Retirement administration expense
 - (2) Hawaii Public Employees Health Fund:
 - Medical insurance
 - Dental insurance
 - Group life insurance
 - (3) Department of Accounting and General Services:
 - Workers' compensation
 - Unemployment compensation

5. Exceptions. Any exception to the requirements of paragraph 3(b) is made only after written request by an employing agency, after review of the supporting documentation relating to the request, and after written concurrence by the State Comptroller.