

LINDA LINGLE
GOVERNOR



GEORGINA K. KAWAMURA
DIRECTOR

STANLEY SHIRAKI
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER
PUBLIC UTILITIES COMMISSION

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

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION

September 24, 2004

FINANCE MEMORANDUM

MEMO NO. 04-17

TO: All Department Heads

FROM: Georgina K. Kawamura
Director of Finance

SUBJECT: Fringe Benefit Rates for FY 04

A composite fringe benefit rate (RATE) of 34.66% has been approved by the U.S. Department of Health and Human Services (DHHS) for use during FY 04 (attached). The RATE consists of the following fringe benefit items and computed rates:

<u>Item</u>	<u>Rate</u>
Pension Accumulation	9.14%
Pension Administration	.02%
Retiree Health Insurance	7.06%
Employees' Health Fund	8.33%
Workers' Compensation	1.70%
Unemployment Compensation	.76%
Social Security	6.20%
Medicare	<u>1.45%</u>
Composite Rate	34.66%

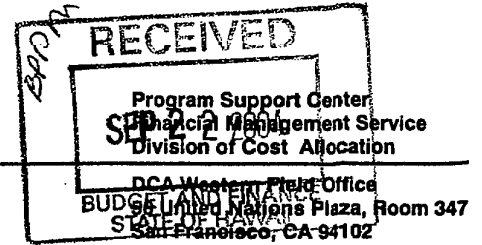
The RATE will be formally published when the Statewide Central Services Cost Allocation Plan (SWCAP) for FY 04 is approved by DHHS.

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.

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES



SEP 20 2004

Georgina K. Kawamura, Director
Hawaii Dept. of Budget and Finance
P. O. Box 150
Honolulu, Hawaii 96810-0150

Dear Ms. Kawamura:

Based on your Employee Benefit Rates Proposal for the fiscal year ending June 30, 2004, a composite fringe benefit rate of 34.66% is approved. The following assessment rates should be used for the period beginning July 1, 2003:

	(a)	(b)
Pension Accumulation	9.14%	
Pension Administration	.02%	
Social Security	6.20%	
Retiree Health Insurance	7.06%	
Worker's Compensation		1.70%
Unemployment Compensation		.76%

- (a) Percent of ERS covered wages.
- (b) Percent of total wages in assessed departments including Research Corporation of University of Hawaii (RCUH).

The above rates will be formally published with your State-Wide Cost Allocation Plan for fiscal year 2004.

Sincerely,

David S. Low
Director