


May 24, 2019
DP052401.NS5

MEMORANDUM

TO: All Principal Investigators and Fiscal Administrators
(This memo supersedes our May 21, 2019 memo.)

FROM: Nelson Sakamoto 
Director of Human Resources

SUBJECT: RCUH Fringe Benefits Schedule for FY July 1, 2019 to June 30, 2020

The Research Corporation of the University of Hawai'i (RCUH) is announcing changes to the Fringe Benefits Schedule for Fiscal Year July 1, 2019 through June 30, 2020. The table below highlights the fringe rates that have changed from the current fiscal year.

Fringe Benefit	Rate Effective July 1, 2019	Current Rate
Vacation Payout Reserve	0.99% (corrected from 0.98%)	0.44%
Unused Sick Leave Reserve	0.29%	0.10%
Group Life Insurance	\$0.14 per \$1,000 of coverage	\$0.16 per \$1,000 of coverage
Long Term Disability Insurance	0.24%	0.30%
Unemployment Insurance	0.24%	0.41%

The increases in the Vacation Payout Reserve and Unused Sick Leave Reserve rates are due to project terminations resulting in staff terminations. The decrease in the Unemployment Insurance Reserve rate is related to Hawai'i's low unemployment rate.

MetLife Insurance Company replaces The Standard Insurance Company: The RCUH has changed its insurance carrier for the Group Life Insurance and Long Term Disability Insurance to MetLife Insurance Company. This change provides a rate guarantee for three years, plus enhanced benefits in our Long Term Disability Insurance.

No Change in Medical and Dental Premiums: There are no changes in the cost of medical premiums for HMSA and Kaiser medical plans. Also there are no changes to the cost of dental premiums for the HDS Dental plans.

New HMSA CompMed-Basic: The RCUH is introducing a new low cost/high deductible HMSA CompMed-Basic medical plan. This medical plan is the new Affordable Care Act (ACA) default plan for those employees who meet the ACA qualifications requirements.

Included with this memo are the RCUH Fringe Benefits Schedule (Attachment) that will be posted on the RCUH Home Page Policies/Procedures under Policy 3.510.

Attachment

Attachment

Policy 3.510 Fringe Benefits Schedule
Fiscal Year July 1, 2019 – June 30, 2020

(REVISED – See rate of Vacation Payout
Reserve – changed to 0.99% from 0.98%)

Policy 3.510 RCUH Fringe Benefits Schedule – Fiscal Year July 1, 2019 – June 30, 2020

TYPE	ELIGIBILITY	WHEN ELIGIBLE	FEATURES/INFORMATION
Vacation	Regular Status employees at 50% or more FTE	First day of following pay period in which hours are earned.	Paid Vacation Leave (Regular status employee on active payroll): Charge to current project account used for pay and fringe benefits. Vacation Payout Reserve (for termination payouts only): 0.99% of all salaries & wages (up from 0.44% in FY2019). Employee earns 1-3/4 working days (14 hours) per month of full-time service (e.g., 100% FTE). See 3.620 RCUH Vacation Leave Policy for more information.
Sick	Regular Status employees at 50% or more FTE	First day of following pay period in which hours are earned.	Regular Status Employee earns 1-3/4 working days per month of full-time service. See 3.640 RCUH Sick Leave Policy for more information.
Medical	Regular Status employees at 50% or more FTE (unless mandated as eligible by Affordable Care Act)	Voluntary upon hire.	See the HMSA/Kaiser Plan Summary Attachments in the 3.520 RCUH Health Insurance Policy.
Dental	Regular employees at 50% or more FTE	Voluntary upon hire.	See the DENTAL Plan Summary Attachment in the 3.520 RCUH Health Insurance Policy.
Flexible Spending Account (FSA)	Regular employees at 50% or more FTE	First day of the month following employee's date of hire: Medical Expense Dependent Care Pre-Tax Transportation (Transit and/or Parking)	No administrative charge. No Charge for FSA Medical Expense Debit Card No administrative charge for employees enrolled in Pre-Tax Transportation only. See 3.530 RCUH Flexible Spending Plan Policy for more information.
Retirement (also includes unused sick leave payoff reserve)	Regular employees at 50% or more FTE	Upon completion of 12 continuous months of service during which the eligible employee must have completed 1,000 or more hours of service.	10.29% of the employee's base salary (see below for breakdown) Group Retirement Annuity: 10.0% Unused Accrued Sick Leave Payoff Reserve: 0.29% (up from 0.10% in FY2019) Eligibility requirements for partial unused sick leave payoffs are based on Board approved policy eligibility criteria. See 3.560 RCUH Retirement Plans , and 3.640 RCUH Sick Leave , policies for more information.
Group Life Insurance	Regular employees at 75% or more FTE	First day of month following employee's date of hire.	\$0.14 per \$1,000 of coverage rounded upwards to the next higher \$1,000, if not a multiple thereof, to a maximum amount of \$600,000. (Previously \$0.16/\$1,000.) Group Life Insurance benefit equals 2X annual salary rounded upwards to the next higher \$1,000, if not a multiple thereof, to a maximum amount of \$600,000. Employees may elect a lower benefit of \$50,000, \$100,000, or \$200,000, not to exceed 2X annual salary (rounded upwards to the next higher \$1,000). See 3.540 RCUH Life Insurance Policy for more information.
Long Term Disability	Regular employees at 75% or more FTE (Note: Not available to non-U. S. Citizens working outside of the U. S. or Canada)	First day of month following employee's date of hire.	0.24% of salaries and wages (previously 0.30%). See 3.570 RCUH Long-Term Disability Insurance Policy for more information.
Long Term Care	Regular employees at 75% or more FTE (Note: Not available to non-U. S. Citizens working outside of the U. S. or Canada)	First day of month following employee's date of hire.	0.259% of salaries and wages. See Attachment 1 in the 3.545 RCUH Long-Term Care Insurance Policy.
FICA	All employees other than F-1 and J-1 visa holders	Upon hire.	7.65%: 6.2% for Social Security OASDI \$132,900 for 2019 up from 2018 which was \$128,400 and 1.45% for Medicare (note, no max. for Medicare) Since January 2013 individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) pay an additional 0.9% in Medicare taxes not included in 7.65%.)
Unemployment Insurance	All employees	Upon hire.	0.24% of all salaries & wages (down from 0.41% in FY2019). See 3.590 RCUH Unemployment Insurance Policy for more information.
Workers' Compensation	All employees (excluding Ship/Sea Ops employees)	Upon hire.	1.50% of all salaries and wages. See 3.580 RCUH Worker's Compensation Policy for more information.

Note: Fringe Charges for Dual RCUH Regular Appointments will be distributed to the multiple projects according to the % of charge of the total salary. Refer to 3.250 Dual Employment Policy for details.