

FRINGE BENEFITS

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	FY 2015 REQUEST	GOVERNOR RECOMMENDS FY 2015
OASDHI Contributions	\$ 143,058,256	\$ 151,723,963	\$ 152,273,425	\$ 158,122,703
Missouri State Employees' Retirement System	268,523,773	323,359,047	324,107,047	336,477,992
Teacher Retirement Contributions	5,056,804	2,982,100	662,000	662,000
Deferred Compensation	0	0	0	19,154,400
Unemployment Benefits	3,097,813	3,997,838	3,987,514	3,983,931
Missouri Consolidated Health Care Plan	367,465,073	370,031,784	418,389,585	397,160,817
Other Post Employment Benefits	0	0	0	34,537,790
Workers' Compensation	32,833,533	29,763,451	36,157,482	36,124,630
Other Employer Disbursements	<u>3,696,553</u>	<u>3,936,001</u>	<u>3,936,001</u>	<u>3,936,001</u>
TOTAL	\$ 823,731,805	\$ 885,794,184 *	\$ 939,513,054	\$ 990,160,264
General Revenue Fund	490,942,137	524,310,621	561,708,639	586,913,702
Federal Funds	181,214,365	190,445,876	201,493,807	214,381,146
Other Funds	151,575,303	171,037,687	176,310,608	188,865,416

* Does not include \$10,900,000 recommended in the Fiscal Year 2014 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Fringe Benefits supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2015 budget provides \$990.2 million for employee retirement, health care, and other benefits.

**FRINGE BENEFITS
OASDHI CONTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
OASDHI Contributions	\$ 136,398,502	\$ 144,070,006	\$ 150,085,729
Highway Patrol OASDHI Contributions	6,659,754	7,653,957	8,036,974
TOTAL	\$ 143,058,256	\$ 151,723,963	\$ 158,122,703
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	68,684,721	72,275,258	75,905,091
Federal Funds	28,456,917	27,900,339	29,515,831
Other Funds	45,916,618	51,548,366	52,701,781

The State of Missouri pays the employer's share of federal Old Age and Survivors Disability and Health Insurance contributions on all state employees' salaries.

Fiscal Year 2015 Governor's Recommendations

- \$3,557,000 for increased social security costs due to pay plan, including \$1,876,000 general revenue.
- \$1,465,000 for new staff statewide, including \$1,027,000 general revenue.
- \$1,043,090 for the remaining pay periods of the Fiscal Year 2014 approved pay plan, including \$456,216 general revenue.
- \$1,000,000 federal funds to reflect adjustments in the Fiscal Year 2014 expenditure level.
- \$623,070 transferred from Real Estate for moving facility maintenance on correctional facilities to the Department of Corrections.
- (\$623,070) State Facility Maintenance and Operation Fund core reduction from the Fiscal Year 2014 appropriation level.
- (\$390,716) transferred to the Department of Social Services for fringe savings from staff reductions due to modernization of its eligibility and enrollment system, including (\$89,083) general revenue.
- (\$275,634) transferred to the Department of Mental Health for fringe savings for transitioning individuals from Department of Mental Health facilities to community care, including (\$263,370) general revenue.

**FRINGE BENEFITS
MISSOURI STATE EMPLOYEES' RETIREMENT SYSTEM CONTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Missouri State Employees' Retirement System Contribution			
TOTAL	\$ 268,523,773	\$ 323,359,047	\$ 336,477,992
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	163,736,548	193,358,866	204,418,731
Federal Funds	59,011,195	71,187,878	72,549,703
Other Funds	45,776,030	58,812,303	59,509,558

The State of Missouri provides an employee retirement program through a combination of employer and employee contributions to the Missouri State Employees' Retirement System. The state's contribution includes a monthly payment to the applicable Missouri state employee benefit plan and a payment of long-term disability premiums.

Fiscal Year 2015 Governor's Recommendations

- \$9,748,000 for increased retirement benefit costs due to pay plan, including \$7,236,000 general revenue.
- \$3,824,000 for new staff statewide, including \$2,803,000 general revenue.
- \$1,903,670 for the remaining pay periods of the Fiscal Year 2014 approved pay plan, including \$1,099,483 general revenue.
- \$1,458,716 transferred from Real Estate for moving facility maintenance on correctional facilities to the Department of Corrections.
- (\$1,458,716) State Facility Maintenance and Operation Fund core reduction from the Fiscal Year 2014 appropriation level.
- (\$914,736) transferred to the Department of Social Services for fringe savings from staff reductions due to modernization of its eligibility and enrollment system, including (\$208,560) general revenue.
- (\$796,681) core reduction from the Fiscal Year 2014 appropriation level, including (\$712,178) general revenue.
- (\$645,308) transferred to the Department of Mental Health for fringe savings for transitioning individuals from Department of Mental Health facilities to community care, including (\$616,596) general revenue.

**FRINGE BENEFITS
TEACHER RETIREMENT CONTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Teacher Retirement Contributions TOTAL	\$ 5,056,804	\$ 2,982,100	\$ 662,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	4,771,257	2,400,000	600,000
Federal Funds	284,454	550,000	60,000
Other Funds	1,093	32,100	2,000

Section 104.342, RSMo, provides that the Commissioner of Administration shall monthly requisition and certify the payment of contributions to the Public School Retirement System (PSRS). The Department of Elementary and Secondary Education and the Department of Social Services employ certified teachers who remain members of the PSRS.

Fiscal Year 2015 Governor's Recommendations

- (\$2,320,100) core reduction from the Fiscal Year 2014 appropriation level, including (\$1,800,000) general revenue.

**FRINGE BENEFITS
DEFERRED COMPENSATION**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Deferred Compensation	\$ 0	\$ 0	\$ 18,182,220
Highway Patrol Deferred Compensation	0	0	972,180
TOTAL	\$ 0	\$ 0	\$ 19,154,400
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	0	0	7,491,900
Federal Funds	0	0	4,181,700
Other Funds	0	0	7,480,800

The Missouri State Public Employees Deferred Compensation Program was created by Sections 105.900 to 105.927, RSMo, to encourage employees to supplement the Missouri State Employees' Retirement Plan and Social Security.

Fiscal Year 2015 Governor's Recommendations

- \$19,154,400 for tiered deferred compensation matching payments, including \$7,491,900 general revenue.

**FRINGE BENEFITS
DISBURSEMENT FOR UNEMPLOYMENT BENEFITS**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Unemployment Benefits	\$ 3,071,428	\$ 3,827,896	\$ 3,813,989
Highway Patrol Unemployment Benefits	<u>26,385</u>	<u>169,942</u>	<u>169,942</u>
TOTAL	\$ 3,097,813	\$ 3,997,838	\$ 3,983,931
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	1,427,572	1,637,723	1,643,413
Federal Funds	816,788	567,341	560,776
Other Funds	853,453	1,792,774	1,779,742

The State of Missouri contributes to the Division of Employment Security to fulfill unemployment claims of former employees. A governmental entity may elect to either pay contributions in advance based on a statutory formula or reimburse the Division of Employment Security for actual claims paid. The State of Missouri reimburses for actual claims. By using this deferred method of payment and one central appropriation, the state simplifies the administration of unemployment benefits.

Fiscal Year 2015 Governor's Recommendations

- \$13,032 transferred from Real Estate for moving facility maintenance on correctional facilities to the Department of Corrections.
- (\$13,032) State Facility Maintenance and Operation Fund core reduction from the Fiscal Year 2014 appropriation level.
- (\$8,172) transferred to the Department of Social Services for fringe savings from staff reductions due to modernization of its eligibility and enrollment system, including (\$1,863) general revenue.
- (\$5,735) transferred to the Department of Mental Health for fringe savings for transitioning individuals from Department of Mental Health facilities to community care, including (\$5,479) general revenue.

**FRINGE BENEFITS
MISSOURI CONSOLIDATED HEALTH CARE PLAN**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Missouri Consolidated Health Care Plan Contributions TOTAL	\$ 367,465,073	\$ 370,031,784	\$ 397,160,817
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	220,570,203	225,699,322	241,958,936
Federal Funds	92,645,011	90,240,318	98,604,043
Other Funds	54,249,859	54,092,144	56,597,838

The Missouri Consolidated Health Care Plan administers health care benefits for most state employees and retirees. Municipalities and other public entities are allowed to join the Missouri Consolidated Health Care Plan as well, building a larger pool of members and greater bargaining power for lower cost medical services.

Fiscal Year 2015 Governor's Recommendations

- \$27,070,000 to continue the state's share of the state employee health care benefit plan, including \$13,938,353 general revenue.
- \$2,271,192 for new staff statewide, including \$1,416,324 general revenue.
- \$2,072,826 transferred from Real Estate for moving facility maintenance on correctional facilities to the Department of Corrections.
- (\$2,072,826) State Facility Maintenance and Operation Fund core reduction from the Fiscal Year 2014 appropriation level.
- (\$1,299,833) transferred to the Department of Social Services for fringe savings from staff reductions due to modernization of its eligibility and enrollment system, including (\$296,362) general revenue.
- (\$912,326) transferred to the Department of Mental Health for fringe savings for transitioning individuals from Department of Mental Health facilities to community care, including (\$871,527) general revenue.

**FRINGE BENEFITS
OTHER POST EMPLOYMENT BENEFITS**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Other Post Employment Benefits TOTAL	\$ 0	\$ 0	\$ 34,537,790
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	0	0	20,000,000
Federal Funds	0	0	8,909,093
Other Funds	0	0	5,628,697

The State of Missouri is responsible for the prudent management of future liabilities for retiree health care costs. To this end, the state of Missouri has established a fund whose accrued growth will decrease the amount of funding necessary to provide retirees health care over the long run.

Fiscal Year 2015 Governor's Recommendations

- \$34,537,790 for other post employment benefits, including \$20,000,000 general revenue.

**FRINGE BENEFITS
WORKERS' COMPENSATION**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Workers' Compensation	\$ 31,528,999	\$ 28,238,451	\$ 33,394,630
Workers' Compensation/Second Injury Fund Tax	<u>1,304,534</u>	<u>1,525,000</u>	<u>2,730,000</u>
TOTAL	\$ 32,833,533	\$ 29,763,451	\$ 36,124,630
EXPENSE AND EQUIPMENT			
General Revenue Fund	20,766,398	18,938,000	22,038,000
Other Funds	804,014	500,000	900,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	10,985,438	9,965,451	12,821,630
Other Funds	277,683	360,000	365,000
TOTAL			
General Revenue Fund	31,751,836	28,903,451	34,859,630
Other Funds	1,081,697	860,000	1,265,000

In accordance with Chapter 287, RSMo, the state of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees. Payments made by general revenue on behalf of employees paid from other funding sources are reimbursed by these non-general revenue funds. A self-insurer, the state pays its Workers' Compensation tax and Second Injury Fund assessments based on billings received from the Department of Insurance, Financial Institutions and Professional Registration and the Division of Workers' Compensation.

Fiscal Year 2015 Governor's Recommendations

- \$6,305,000 increased to anticipated spending level, including \$5,900,000 general revenue.
- \$128,685 transferred from Real Estate for moving facility maintenance on correctional facilities to the Department of Corrections.
- (\$54,107) transferred to the Department of Mental Health for fringe savings for transitioning individuals from Department of Mental Health facilities to community care.
- (\$18,399) transferred to the Department of Social Services for fringe savings from staff reductions due to modernization of its eligibility and enrollment system.

**FRINGE BENEFITS
OTHER EMPLOYER DISBURSEMENTS**

FINANCIAL SUMMARY

	FY 2013 EXPENDITURE	FY 2014 APPROPRIATION	GOVERNOR RECOMMENDS FY 2015
Voluntary Life Insurance	\$ 3,696,553	\$ 3,900,000	\$ 3,900,000
Cafeteria Plan Transfer	0	1	1
HR Contingency Transfer	0	36,000	36,000
TOTAL	\$ 3,696,553	\$ 3,936,001	\$ 3,936,001
PERSONAL SERVICE			
General Revenue Fund	0	36,001	36,001
Other Funds	3,696,553	3,900,000	3,900,000

VOLUNTARY LIFE INSURANCE

State employees may opt to withhold a portion of their salaries for voluntary life insurance. This appropriation provides expenditure authority to distribute the monies withheld to the various life insurance companies as designated by employees.

Fiscal Year 2015 Governor's Recommendations

Continue funding at the current level.

CAFETERIA PLAN TRANSFER

The state offers a tax reduction plan for state employees who set aside a portion of their salaries for certain expenses such as medical care and dependent care. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2015 Governor's Recommendations

Continue funding at the current level.

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section ensures that payroll checks are timely for payment against accounts with temporary allotment or fund cash flow problems.

Fiscal Year 2015 Governor's Recommendations

Continue funding at the current level.