

# FRINGE BENEFITS

## FINANCIAL SUMMARY

|   | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | FY 2018<br>REQUEST      | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|---|------------------------|--------------------------|-------------------------|-----------------------------------|
| OASDHI Contributions                        | \$ 147,047,533         | \$ 161,769,203           | \$ 161,769,203          | \$ 161,922,767                    |
| Missouri State Employees' Retirement System | 318,455,699            | 346,841,559              | 394,515,301             | 393,255,045                       |
| Teacher Retirement Contributions            | 112,484                | 192,000                  | 152,000                 | 152,000                           |
| Unemployment Benefits                       | 1,762,941              | 3,751,467                | 3,751,467               | 3,749,459                         |
| Missouri Consolidated Health Care Plan      | 388,312,975            | 394,609,336              | 450,829,133             | 403,350,316                       |
| Workers' Compensation                       | 35,934,813             | 36,096,171               | 36,096,171              | 36,086,554                        |
| Other Employer Disbursements                | <u>3,611,968</u>       | <u>3,936,001</u>         | <u>3,936,001</u>        | <u>3,936,001</u>                  |
| <b>TOTAL</b>                                | <b>\$ 895,238,413</b>  | <b>\$ 947,195,737</b>    | <b>\$ 1,051,049,276</b> | <b>\$ 1,002,452,142</b>           |
| General Revenue Fund                        | 544,601,712            | 561,729,850              | 625,165,613             | 593,926,712                       |
| Federal Funds                               | 186,916,050            | 204,347,447              | 227,644,271             | 216,798,270                       |
| Other Funds                                 | 163,720,651            | 181,118,440              | 198,239,392             | 191,727,160                       |

## DEPARTMENT SUMMARY

The Fiscal Year 2018 budget provides \$1,002.5 million for employee retirement, health care, and other benefits.

**FRINGE BENEFITS  
OASDHI CONTRIBUTIONS**

**FINANCIAL SUMMARY**

|                                      | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|--------------------------------------|------------------------|--------------------------|-----------------------------------|
| OASDHI Contributions                 | \$ 139,739,162         | \$ 153,316,854           | \$ 153,447,418                    |
| Highway Patrol OASDHI Contributions  | 7,308,371              | 8,452,349                | 8,475,349                         |
| <b>TOTAL</b>                         | <b>\$ 147,047,533</b>  | <b>\$ 161,769,203</b>    | <b>\$ 161,922,767</b>             |
| <b>PROGRAM SPECIFIC DISTRIBUTION</b> |                        |                          |                                   |
| General Revenue Fund                 | 72,095,357             | 76,057,250               | 76,133,000                        |
| Federal Funds                        | 27,659,261             | 32,081,026               | 32,067,541                        |
| Other Funds                          | 47,292,915             | 53,630,927               | 53,722,226                        |

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 2018 Governor's Recommendations**

- \$456,000 for new personal service statewide, including \$261,000 general revenue.
- (\$174,423) core reduction from the Fiscal Year 2017 appropriation level, including (\$140,665) general revenue.
- (\$97,009) transferred to the Department of Social Services for fringes savings due to using contract employees, including (\$13,581) general revenue.
- (\$31,004) transferred to the Department of Mental Health for fringe savings due to using contract employees.

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

**FINANCIAL SUMMARY**

|   | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|---|------------------------|--------------------------|-----------------------------------|
| Missouri State Employees' Retirement System Contribution<br>TOTAL | \$ 318,455,699         | \$ 346,841,559           | \$ 393,255,045                    |
| <b>PROGRAM SPECIFIC DISTRIBUTION</b>                              |                        |                          |                                   |
| General Revenue Fund  | 197,645,765            | 208,143,086              | 234,538,000                       |
| Federal Funds   | 66,491,147             | 75,490,647               | 86,355,893                        |
| Other Funds   | 54,318,787             | 63,207,826               | 72,361,152                        |

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 semimonthly payments to the applicable Missouri state employee benefit plan and a payment of long-term disability premiums.

**Fiscal Year 2018 Governor's Recommendations**

- \$45,896,000 for actuarially recommended retirement benefit contribution rate increases, including \$26,042,000 general revenue.
- \$1,176,000 for new personal service statewide, including \$720,000 general revenue.
- (\$359,314) core reduction from the Fiscal Year 2017 appropriation level, including (\$262,880) general revenue.
- (\$226,737) transferred to the Department of Social Services for fringes savings due to using contract employees, including (\$31,743) general revenue.
- (\$72,463) transferred to the Department of Mental Health for fringe savings due to using contract employees.

**FRINGE BENEFITS  
TEACHER RETIREMENT CONTRIBUTIONS**

**FINANCIAL SUMMARY**

|   | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|---|------------------------|--------------------------|-----------------------------------|
| Teacher Retirement Contributions<br>TOTAL | \$ 112,484             | \$ 192,000               | \$ 152,000                        |
| <b>PROGRAM SPECIFIC DISTRIBUTION</b>      |                        |                          |                                   |
| General Revenue Fund                      | 93,842                 | 150,000                  | 120,000                           |
| Federal Funds                             | 17,788                 | 40,000                   | 30,000                            |
| Other Funds                               | 854                    | 2,000                    | 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 2018 Governor's Recommendations**

- (\$40,000) core reduction from the Fiscal Year 2017 appropriation level, including (\$30,000) general revenue.

**FRINGE BENEFITS  
DISBURSEMENT FOR UNEMPLOYMENT BENEFITS**

**FINANCIAL SUMMARY**

|                                      | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|--------------------------------------|------------------------|--------------------------|-----------------------------------|
| Unemployment Benefits                | \$ 1,740,134           | \$ 3,606,525             | \$ 3,604,517                      |
| Highway Patrol Unemployment Benefits | 22,807                 | 144,942                  | 144,942                           |
| <b>TOTAL</b>                         | <b>\$ 1,762,941</b>    | <b>\$ 3,751,467</b>      | <b>\$ 3,749,459</b>               |
| <b>PROGRAM SPECIFIC DISTRIBUTION</b> |                        |                          |                                   |
| General Revenue Fund                 | 800,729                | 1,635,024                | 1,634,325                         |
| Federal Funds                        | 450,681                | 660,776                  | 659,619                           |
| Other Funds                          | 511,531                | 1,455,667                | 1,455,515                         |

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 2018 Governor's Recommendations**

- (\$1,522) transferred to the Department of Social Services for fringes savings due to using contract employees, including (\$213) general revenue.
- (\$486) transferred to the Department of Mental Health for fringe savings due to using contract employees.

**FRINGE BENEFITS  
MISSOURI CONSOLIDATED HEALTH CARE PLAN**

**FINANCIAL SUMMARY**

|   | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|---|------------------------|--------------------------|-----------------------------------|
| Missouri Consolidated Health Care Plan Contributions<br>TOTAL | \$ 388,312,975         | \$ 394,609,336           | \$ 403,350,316                    |
| <b>PROGRAM SPECIFIC DISTRIBUTION</b>                          |                        |                          |                                   |
| General Revenue Fund  | 238,839,906            | 240,877,318              | 246,643,832                       |
| Federal Funds   | 92,297,173             | 96,074,998               | 97,685,217                        |
| Other Funds   | 57,175,896             | 57,657,020               | 59,021,267                        |

The Missouri Consolidated Health Care Plan administers health care benefits for most state employees and retirees. Municipalities and other public entities may 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 2018 Governor's Recommendations**

- \$8,064,516 to continue the state's share of the state employee health care benefit plan, including \$5,000,000 general revenue.
- \$1,230,462 for new personal service statewide, including \$921,774 general revenue.
- (\$337,822) transferred to the Department of Social Services for fringes savings due to using contract employees, including (\$47,295) general revenue.
- (\$108,211) federal funds core reduction from the Fiscal Year 2017 appropriation level.
- (\$107,965) transferred to the Department of Mental Health for fringe savings due to using contract employees.

**FRINGE BENEFITS  
WORKERS' COMPENSATION**

**FINANCIAL SUMMARY**

|  | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|--|------------------------|--------------------------|-----------------------------------|
| Workers' Compensation                        | \$ 32,825,576          | \$ 33,366,171            | \$ 33,356,554                     |
| Workers' Compensation/Second Injury Fund Tax | 3,109,237              | 2,730,000                | 2,730,000                         |
| <b>TOTAL</b>                                 | <b>\$ 35,934,813</b>   | <b>\$ 36,096,171</b>     | <b>\$ 36,086,554</b>              |
| <b>EXPENSE AND EQUIPMENT</b>                 |                        |                          |                                   |
| General Revenue Fund                         | 28,249,925             | 22,038,000               | 22,038,000                        |
| Other Funds                                  | 624,367                | 900,000                  | 900,000                           |
| <b>PROGRAM SPECIFIC DISTRIBUTION</b>         |                        |                          |                                   |
| General Revenue Fund                         | 6,876,188              | 12,793,171               | 12,783,554                        |
| Other Funds                                  | 184,333                | 365,000                  | 365,000                           |
| <b>TOTAL</b>                                 |                        |                          |                                   |
| General Revenue Fund                         | 35,126,113             | 34,831,171               | 34,821,554                        |
| Other Funds                                  | 808,700                | 1,265,000                | 1,265,000                         |

In accordance with Chapter 287, RSMo, the State of Missouri is responsible for paying 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 Revenue and the Division of Workers' Compensation.

**Fiscal Year 2018 Governor's Recommendations**

- (\$6,687) transferred to the Department of Mental Health for fringe savings due to using contract employees.
- (\$2,930) transferred to the Department of Social Services for fringe savings due to using contract employees.

**FRINGE BENEFITS  
OTHER EMPLOYER DISBURSEMENTS**

**FINANCIAL SUMMARY**

|                          | FY 2016<br>EXPENDITURE | FY 2017<br>APPROPRIATION | GOVERNOR<br>RECOMMENDS<br>FY 2018 |
|--------------------------|------------------------|--------------------------|-----------------------------------|
| Voluntary Life Insurance | \$ 3,611,968           | \$ 3,900,000             | \$ 3,900,000                      |
| Cafeteria Plan Transfer  | 0                      | 1                        | 1                                 |
| HR Contingency Transfer  | 0                      | 36,000                   | 36,000                            |
| <b>TOTAL</b>             | <b>\$ 3,611,968</b>    | <b>\$ 3,936,001</b>      | <b>\$ 3,936,001</b>               |
| <b>PERSONAL SERVICE</b>  |                        |                          |                                   |
| General Revenue Fund     | 0                      | 36,001                   | 36,001                            |
| Other Funds              | 3,611,968              | 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 2018 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 2018 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 2018 Governor's Recommendations**

Continue funding at the current level.