

FRINGE BENEFITS

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	FY 2019 REQUEST	GOVERNOR RECOMMENDS FY 2019
OASDHI Contributions	\$ 150,222,122	\$ 161,922,767	\$ 161,857,036	\$ 165,621,660
Missouri State Employees' Retirement System	323,246,283	393,255,045	418,226,149	416,447,510
Teacher Retirement Contributions	104,660	152,000	152,000	122,000
Unemployment Benefits	1,450,791	3,749,459	3,748,686	3,748,686
Missouri Consolidated Health Care Plan	391,952,166	403,350,316	494,840,169	465,967,275
Workers' Compensation	37,385,285	36,086,554	41,168,439	40,463,439
Other Employer Disbursements	3,566,856	3,936,001	3,936,001	3,936,001
TOTAL	\$ 907,928,163	\$ 1,002,452,142 *	\$ 1,123,928,480	\$ 1,096,306,571
General Revenue Fund	555,040,313	593,926,712	669,611,428	651,447,403
Federal Funds	187,317,430	216,798,270	244,529,321	238,192,176
Other Funds	165,570,420	191,727,160	209,787,731	206,666,992

* Does not include \$7,656,970 recommended in the Fiscal Year 2018 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Employee Benefits supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2019 budget provides \$1,096.3 million for employee retirement, health care, and other benefits.

**FRINGE BENEFITS
OASDHI CONTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
OASDHI Contributions	\$ 142,729,246	\$ 153,447,418	\$ 156,830,311
Highway Patrol OASDHI Contributions	<u>7,492,876</u>	<u>8,475,349</u>	<u>8,791,349</u>
TOTAL	\$ 150,222,122	\$ 161,922,767	\$ 165,621,660
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	73,811,198	76,133,000	77,701,469
Federal Funds	28,002,377	32,067,541	33,002,891
Other Funds	48,408,547	53,722,226	54,917,300

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 2019 Governor's Recommendations

- \$2,604,624 on an open-ended basis for increased social security costs due to pay plan, including \$1,166,200 general revenue.
- \$1,160,000 on an open-ended basis for new personal service statewide, including \$468,000 general revenue.
- (\$65,731) transferred to the Department of Mental Health for fringe savings due to privatizing a state-operated facility.

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

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Missouri State Employees' Retirement System Contributions TOTAL	\$ 323,246,283	\$ 393,255,045	\$ 416,447,510
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	201,435,032	234,538,000	247,310,733
Federal Funds	66,751,396	86,355,893	92,238,893
Other Funds	55,059,855	72,361,152	76,897,884

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 2019 Governor's Recommendations

- \$14,420,000 on an open-ended basis for actuarially recommended retirement benefit contribution rate increases, including \$8,282,000 general revenue.
- \$6,036,732 on an open-ended basis for increased retirement benefit costs due to pay plan, including \$3,616,000 general revenue.
- \$2,907,000 on an open-ended basis for new personal service statewide, including \$1,046,000 general revenue.
- (\$171,267) transferred to the Department of Mental Health for fringe savings due to privatizing a state-operated facility.

**FRINGE BENEFITS
TEACHER RETIREMENT CONTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Teacher Retirement Contributions TOTAL	\$ 104,660	\$ 152,000	\$ 122,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	91,951	120,000	90,000
Federal Funds	11,984	30,000	30,000
Other Funds	725	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 2019 Governor's Recommendations

- (\$30,000) core reduction from the Fiscal Year 2018 appropriation level.

**FRINGE BENEFITS
DISBURSEMENT FOR UNEMPLOYMENT BENEFITS**

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Unemployment Benefits	\$ 1,443,213	\$ 3,604,517	\$ 3,603,744
Highway Patrol Unemployment Benefits	<u>7,578</u>	<u>144,942</u>	<u>144,942</u>
TOTAL	\$ 1,450,791	\$ 3,749,459	\$ 3,748,686
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	620,277	1,634,325	1,633,552
Federal Funds	336,308	659,619	659,619
Other Funds	494,206	1,455,515	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 2019 Governor's Recommendations

- (\$773) transferred to the Department of Mental Health for fringe savings due to privatizing a state-operated facility.

**FRINGE BENEFITS
MISSOURI CONSOLIDATED HEALTH CARE PLAN**

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Missouri Consolidated Health Care Plan Contributions TOTAL	\$ 391,952,166	\$ 403,350,316	\$ 465,967,275
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	242,626,337	246,643,832	285,487,209
Federal Funds	92,215,365	97,685,217	112,260,773
Other Funds	57,110,464	59,021,267	68,219,293

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 2019 Governor's Recommendations

- \$61,210,968 on an open-ended basis to continue the state's share of the state employee health care benefit plan, including \$37,889,589 general revenue.
- \$1,622,947 on an open-ended basis for new personal service statewide, including \$1,170,744 general revenue.
- (\$216,956) transferred to the Department of Mental Health for fringe savings due to privatizing a state-operated facility.

**FRINGE BENEFITS
WORKERS' COMPENSATION**

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Workers' Compensation	\$ 34,178,400	\$ 33,356,554	\$ 37,223,439
Workers' Compensation/Second Injury Fund Tax	3,206,885	2,730,000	3,240,000
TOTAL	\$ 37,385,285	\$ 36,086,554	\$ 40,463,439
EXPENSE AND EQUIPMENT			
General Revenue Fund	29,350,287	22,038,000	25,918,633
Other Funds	673,829	900,000	900,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	7,105,231	12,783,554	13,269,806
Other Funds	255,938	365,000	375,000
TOTAL			
General Revenue Fund	36,455,518	34,821,554	39,188,439
Other Funds	929,767	1,265,000	1,275,000

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 2019 Governor's Recommendations

- \$3,880,633 on an open-ended basis for paying workers' compensation benefits to injured state employees.
- \$510,000 Workers' Compensation tax and Second Injury Fund for assessments, including \$500,000 general revenue.
- (\$13,748) transferred to the Department of Mental Health for fringe savings due to privatizing a state-operated facility.

**FRINGE BENEFITS
OTHER EMPLOYER DISBURSEMENTS**

FINANCIAL SUMMARY

	FY 2017 EXPENDITURE	FY 2018 APPROPRIATION	GOVERNOR RECOMMENDS FY 2019
Voluntary Life Insurance	\$ 3,566,856	\$ 3,900,000	\$ 3,900,000
Cafeteria Plan Transfer	0	1	1
HR Contingency Transfer	0	36,000	36,000
TOTAL	\$ 3,566,856	\$ 3,936,001	\$ 3,936,001
PERSONAL SERVICE			
General Revenue Fund	0	36,001	36,001
Other Funds	3,566,856	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 2019 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 2019 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 2019 Governor's Recommendations

Continue funding at the current level.