

ERS 1% Employer Insurance Benefit Contribution

A. Background

1. Appropriations Act, Article IX, Section 18.09, 82nd Legislature, 2011.
2. Employer contribution to ERS (Employees Retirement System) group insurance premium was increased.
3. Additional employer contribution equal to 1% of total base wages and salaries for all benefits eligible employees.
4. Amount attributable to the 1% contribution to be calculated and reported each month when benefit payments are processed by Payroll and paid by Treasurer.
5. ERS develops implementation procedures, in coordination with State Comptroller.

B. Applicability

1. All benefits eligible employees who receive a UHS paycheck or direct deposit, regardless of funding source.
2. Calculated on base salary only; does not include longevity pay, overtime, hazardous duty pay, or special pay (stipends, awards, bonuses).
3. Applies to benefit plans: employee only; employee + spouse; employee + children; employee + family; & opt-out.
4. Does not apply to benefit plan: not enrolled (approx 40 system-wide).
5. Maximum contribution for: opt-out full time is \$60; opt-out part time is \$30.

C. Implementation

1. UHS Payroll will develop a report that will be run monthly using HR System data, and will calculate the 1% obligation due to ERS for that month's qualifying monthly and biweekly salary expenses.
2. UHS Payroll and Treasury will continue to coordinate all campus's monthly benefit submissions and payments, and will also include the additional 1% payment as calculated by the new Payroll report.
3. UHS Financial Reporting will develop an allocation process that will run during each month end closing cycle using GL System data, and will calculate a 1% assessment applicable to every cost center that had qualifying salary expenses during the month.
4. Unique general ledger account chartfield (51126) has been created to track transactions related to the 1% contribution.

D. Budgeting / Accounting

1. Every cost center that has qualifying non-state salary expenses will be assessed a 1% charge to cover the increase to the employer paid health care insurance premium. This assessment will be funded by that cost center's funding source.
2. A calculation will be made for cost centers that have qualifying state salary expenses. This assessment will be charged to an institutional cost center and will be funded by central funding resources.
3. Funds received from the assessment will be transferred by General Accounting to the Treasurer.
4. Budget Office will monitor the process. They are available to assist colleges/divisions with funding related issues. Application of this process for future fiscal years will be reviewed during the next budget cycle.

**UH / UHSA
1% ERS Payroll Contribution**

Month of September 2011

<u>College / Division</u>	<u>State</u>	<u>Designated</u>	<u>Auxiliary</u>	<u>Restricted</u>	<u>Contr/Grants</u>	<u>Total</u>
UH						
H0395 - CHANCELLOR/PRESIDENT PH	843	90	190			1,123
H0397 - ADMINISTRATION & FINANCE PH	16,031	6,301	1,614	42		23,988
H0399 - UNIVERSITY ADVANCEMENT PH	3,220	1,447				4,667
H0400 - RESEARCH	2,916	4,196			2,381	9,492
H0401 - STUDENT AFFAIRS PH		29	6,449	58		6,536
H0402 - ATHLETICS PH		216	6,234			6,450
H0403 - ARCHITECTURE PH	2,256	530		47		2,832
H0404 - BUSINESS ADMIN PH	12,097	9,929		416		22,442
H0405 - EDUCATION PH	5,550	1,183		305	414	7,452
H0406 - ENGINEERING PH	11,997	5,599		39	495	18,131
H0407 - HONORS COLLEGE PH	808	276		122		1,206
H0408 - HRM PH	1,901	1,065	373	355		3,694
H0409 - LIB ARTS & SOCIAL SCI PH	26,766	8,237	29	442	245	35,719
H0410 - LAW PH	6,929	4,179		43		11,151
H0411 - NSM PH	21,987	8,525	82	271	2,665	33,529
H0412 - OPTOMETRY PH	5,478	2,835		18	1,130	9,460
H0413 - PHARMACY PH	3,464	2,567			38	6,069
H0415 - GCSW PH	1,771	580		43	379	2,773
H0416 - TECHNOLOGY PH	3,390	2,891		63		6,344
H0417 - LIBRARY PH	3,978	21		24		4,023
H0421 - ASSOC VC/VP, PLANT OP PH	6,748	3,553	269			10,570
H0457 - ACAD AFFAIRS/PROV PH	5,684	5,471	383	4,912	724	17,174
Total - UH	143,814	69,720	15,624	7,199	8,471	244,827
UHSA						
S0054 - CHANCELLOR/PRESIDENT PH	2,648	348				2,995
S0055 - ACADEMIC AFFAIRS PH	1,728	48				1,776
S0056 - ADMINISTRATION & FINANCE PH	784	18				801
Total - UHSA	5,159	414				5,573
Total - September 2011	148,973	70,133	15,624	7,199	8,471	250,400

Projected Annual (based on Sept x 12)

<u>College / Division</u>	<u>State</u>	<u>Designated</u>	<u>Auxiliary</u>	<u>Restricted</u>	<u>Contr/Grants</u>	<u>Total</u>
UH						
H0395 - CHANCELLOR/PRESIDENT PH	10,111	1,084	2,283			13,478
H0397 - ADMINISTRATION & FINANCE PH	192,371	75,615	19,372	500		287,857
H0399 - UNIVERSITY ADVANCEMENT PH	38,641	17,364				56,005
H0400 - RESEARCH	34,990	50,349			28,570	113,909
H0401 - STUDENT AFFAIRS PH		350	77,384	701		78,435
H0402 - ATHLETICS PH		2,588	74,806			77,395
H0403 - ARCHITECTURE PH	27,066	6,361		561		33,988
H0404 - BUSINESS ADMIN PH	145,161	119,146		4,994		269,301
H0405 - EDUCATION PH	66,601	14,199		3,659	4,971	89,429
H0406 - ENGINEERING PH	143,960	67,193		469	5,945	217,568
H0407 - HONORS COLLEGE PH	9,702	3,307		1,464		14,473
H0408 - HRM PH	22,817	12,780	4,471	4,257		44,326
H0409 - LIB ARTS & SOCIAL SCI PH	321,194	98,844	353	5,305	2,937	428,633
H0410 - LAW PH	83,151	50,145		516		133,812
H0411 - NSM PH	263,838	102,305	986	3,246	31,976	402,352
H0412 - OPTOMETRY PH	65,737	34,016		210	13,561	113,524
H0413 - PHARMACY PH	41,570	30,799			460	72,829
H0415 - GCSW PH	21,251	6,958		520	4,549	33,277
H0416 - TECHNOLOGY PH	40,683	34,695		755		76,133
H0417 - LIBRARY PH	47,731	253		287		48,270
H0421 - ASSOC VC/VP, PLANT OP PH	80,978	42,630	3,232			126,840
H0457 - ACAD AFFAIRS/PROV PH	68,213	65,654	4,596	58,941	8,689	206,093
Total - UH	1,725,765	836,634	187,483	86,387	101,658	2,937,927
UHSA						
S0054 - CHANCELLOR/PRESIDENT PH	31,771	4,175				35,946
S0055 - ACADEMIC AFFAIRS PH	20,735	577				21,312
S0056 - ADMINISTRATION & FINANCE PH	9,403	214				9,618
Total - UHSA	61,910	4,966				66,876
Projected Total - FY 2012	1,787,675	841,601	187,483	86,387	101,658	3,004,803