

FRINGE BENEFITS

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	FY 2012 REQUEST	GOVERNOR RECOMMENDS FY 2012
OASDHI Contributions	\$ 151,162,681	\$ 162,193,000	\$ 162,193,000	\$ 149,909,250
Missouri State Employees' Retirement System	248,094,299	268,840,259	268,840,259	260,902,090
Teacher Retirement Contributions	3,841,865	3,540,560	3,540,560	3,540,560
Deferred Compensation	10,622,267	0	0	0
Unemployment Benefits	5,621,101	4,022,288	4,022,288	4,006,109
Missouri Consolidated Health Care Plan	407,521,948	427,320,232	410,913,704	376,235,845
Other Post-Employment Benefits	18,118,136	7,543,518	0	0
COBRA Reimbursement	0	0	145,540	145,540
Workers' Compensation	27,780,601	25,367,132	25,327,707	25,287,503
Other Employer Disbursements	<u>3,895,121</u>	<u>862,002</u>	<u>862,002</u>	<u>862,002</u>
TOTAL	\$ 876,658,019	\$ 899,688,991 *	\$ 875,845,060	\$ 820,888,899
General Revenue Fund	544,305,488	532,813,437	516,112,570	497,956,215
Federal Funds	178,907,416	196,247,991	190,824,058	177,358,959
Other Funds	153,445,115	170,627,563	168,908,432	145,573,725

* Does not include \$537,983 recommended in the Fiscal Year 2011 Supplemental Appropriations. See the Supplemental section of the Missouri Budget for details regarding the Fringe Benefits supplemental appropriations.

DEPARTMENT SUMMARY

The Fiscal Year 2012 budget provides \$820.9 million for employee retirement, healthcare, and other benefits.

**FRINGE BENEFITS
OASDHI CONTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
OASDHI Contributions	\$ 144,741,865	\$ 154,799,000	\$ 142,520,250
Highway Patrol OASDHI Contributions	6,420,816	7,394,000	7,389,000
TOTAL	\$ 151,162,681	\$ 162,193,000	\$ 149,909,250
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	74,939,900	75,660,915	71,760,000
Federal Funds	27,476,859	31,668,084	28,693,791
Other Funds	48,745,922	54,864,001	49,455,459

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 2012 Governor's Recommendations

- \$2,740,000 for new staff statewide, including \$349,000 general revenue.
- \$233,798 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from various departments to the Office of Administration - Facilities Management, Design and Construction.
- (\$14,565,330) reduction from the Fiscal Year 2011 appropriation level, including (\$3,777,698) general revenue.
- (\$692,218) transferred to various departments to pay fringe costs associated with contractual employees, including (\$472,217) general revenue.

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

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Missouri State Employees' Retirement System Contribution	\$ 248,094,299	\$ 268,840,259	\$ 260,902,090
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	159,373,033	163,129,353	163,519,000
Federal Funds	50,189,904	57,738,592	55,530,932
Other Funds	38,531,362	47,972,314	41,852,158

The State of Missouri provides a retirement program for employees through a combination of employer and employee contributions to the Missouri State Employees' Retirement System. The state's contribution includes a payment per month to the Missouri State Employees' Benefit Plan and a payment of long-term disability premiums.

Fiscal Year 2012 Governor's Recommendations

- \$6,263,085 for an actuarially recommended retirement benefit contribution rate, including \$625,205 general revenue.
- \$5,324,000 for new staff statewide, including \$701,000 general revenue.
- \$471,875 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from various departments to the Office of Administration - Facilities Management, Design and Construction.
- (\$18,631,785) federal and other funds reduction from the Fiscal Year 2011 appropriation level.
- (\$1,365,344) transferred to various departments to pay fringe costs associated with contractual employees, including (\$936,558) general revenue.

**FRINGE BENEFITS
TEACHER RETIREMENT CONTRIBUTIONS**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Teacher Retirement Contributions	\$ 3,841,865	\$ 3,540,560	\$ 3,540,560
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	3,370,102	2,400,000	2,400,000
Federal Funds	470,867	1,070,000	1,070,000
Other Funds	896	70,560	70,560

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, Department of Mental Health, Department of Social Services, and Department of Corrections employ certified teachers who remain members of the PSRS.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.

**FRINGE BENEFITS
DEFERRED COMPENSATION PROGRAM**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Deferred Compensation	\$ 10,184,966	\$ 0	\$ 0
Highway Patrol Deferred Compensation	437,301	0	0
TOTAL	\$ 10,622,267	\$ 0	\$ 0
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	5,084,273	0	0
Federal Funds	2,050,221	0	0
Other Funds	3,487,773	0	0

Sections 105.900 to 105.927, RSMo created the Missouri State Public Employees Deferred Compensation Commission to encourage employees to supplement their Missouri State Employees' Retirement Plan and Social Security. The state does not currently offer a match for each employee's deferred compensation deposit.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.

**FRINGE BENEFITS
DISBURSEMENT FOR UNEMPLOYMENT BENEFITS**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Unemployment Benefits	\$ 5,587,070	\$ 3,852,346	\$ 3,836,167
Highway Patrol Unemployment Benefits	<u>34,031</u>	<u>169,942</u>	<u>169,942</u>
TOTAL	\$ 5,621,101	\$ 4,022,288	\$ 4,006,109
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	2,826,376	1,658,545	1,641,878
Federal Funds	995,691	488,664	571,457
Other Funds	1,799,034	1,875,079	1,792,774

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

Fiscal Year 2012 Governor's Recommendations

- \$8,252 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from various departments to the Office of Administration - Facilities Maintenance, Design and Construction.
- (\$24,431) transferred to various departments to pay fringe costs associated with contractual employees, including (\$16,667) general revenue.

**FRINGE BENEFITS
MISSOURI CONSOLIDATED HEALTH CARE PLAN**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Missouri Consolidated Health Care Plan Contributions	\$ 407,521,948	\$ 427,320,232	\$ 376,235,845
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	267,690,928	260,457,390	234,207,832
Federal Funds	86,260,010	103,845,774	91,492,779
Other Funds	53,571,010	63,017,068	50,535,234

The Missouri Consolidated Health Care Plan administers health care benefits for state employees. In 1995, municipalities and other public entities were 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 2012 Governor's Recommendations

- \$8,398,000 for new staff statewide, including \$664,000 general revenue.
- \$947,417 State Facility Maintenance and Operation Fund for benefits associated with staff transferred from various departments to the Office of Administration - Facilities Management, Design and Construction.
- (\$57,624,737) reduction from the Fiscal Year 2011 appropriation level, including (\$25,000,000) general revenue.
- (\$2,805,067) transferred to various departments to pay fringe costs associated with contractual employees, including (\$1,913,558) general revenue.

**FRINGE BENEFITS
OTHER POST-EMPLOYMENT BENEFITS**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Other Post-Employment Benefits	\$ 18,118,136	\$ 7,543,518	\$ 0
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	11,463,864	5,000,100	0
Federal Funds	4,140,304	1,436,877	0
Other Funds	2,513,968	1,106,541	0

The State of Missouri is responsible for the management of future liabilities for retiree health care costs.

Fiscal Year 2012 Governor's Recommendations

- (\$7,543,518) reduction from the Fiscal Year 2011 appropriation level, including (\$5,000,100) general revenue.

**FRINGE BENEFITS
COBRA REIMBURSEMENT**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
COBRA Reimbursement	\$ 0	\$ 0	\$ 145,540
PROGRAM SPECIFIC DISTRIBUTION			
Other Funds	0	0	145,540

The federal government is temporarily subsidizing COBRA premiums through an offset of Old Age and Survivors Disability and Health Insurance (OASDHI) taxes. Instead of paying a portion of those taxes to the federal government, the State of Missouri is transferring funds to the three health plans of the state to offset COBRA premiums. This temporary benefit has been extended through August 2011.

Fiscal Year 2012 Governor's Recommendations

- \$145,540 other funds for the reimbursement of COBRA expenditures.

**FRINGE BENEFITS
WORKERS' COMPENSATION**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Workers' Compensation	\$ 26,482,939	\$ 23,842,132	\$ 23,762,503
Workers' Compensation/Second Injury Fund Tax	1,297,662	1,525,000	1,525,000
TOTAL	\$ 27,780,601	\$ 25,367,132	\$ 25,287,503
EXPENSE AND EQUIPMENT			
General Revenue Fund	16,675,018	15,938,100	15,938,100
Other Funds	637,392	500,000	500,000
PROGRAM SPECIFIC DISTRIBUTION			
General Revenue Fund	10,205,554	8,569,032	8,489,403
Other Funds	262,637	360,000	360,000
TOTAL			
General Revenue Fund	26,880,572	24,507,132	24,427,503
Other Funds	900,029	860,000	860,000

The State of Missouri is responsible for payment of Workers' Compensation benefits to injured state employees in accordance with Chapter 287, RSMo. Payments made by general revenue on behalf of employees paid from other funding sources are transferred from these funds back to general revenue. As a Workers' Compensation 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 2012 Governor's Recommendations

- (\$79,629) transferred to various departments to pay fringe costs associated with contractual employees.

**FRINGE BENEFITS
OTHER EMPLOYER DISBURSEMENTS**

FINANCIAL SUMMARY

	FY 2010 EXPENDITURE	FY 2011 APPROPRIATION	GOVERNOR RECOMMENDS FY 2012
Voluntary Life Insurance	\$ 3,895,121	\$ 862,000	\$ 862,000
Cafeteria Plan Transfer	0	1	1
HR Contingency Transfer	0	1	1
TOTAL	\$ 3,895,121	\$ 862,002	\$ 862,002
PERSONAL SERVICE			
General Revenue Fund	0	2	2
Other Funds	3,895,121	862,000	862,000

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 2012 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. The federal government requires the state to provide a sufficient balance in the medical expenses category for timely reimbursements to plan participants.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.

HUMAN RESOURCES CONTINGENCY FUND TRANSFER

This transfer section ensures that payroll checks submitted for payment against accounts with temporary allotment or fund cash flow problems can be generated within the time constraints of pay period processing.

Fiscal Year 2012 Governor's Recommendations

Continue funding at the current level.