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Huron Consulting Group

# University of Oregon Fringe Benefit Rate Proposal

Fiscal Year 2018



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# **A. Cover Letter & Certifications**



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December 20, 2018

Mr. Arif Karim  
National Director  
DHHS – Division of Cost Allocation  
90 7th Street, Suite 4-600  
San Francisco, CA 94103-6705

Dear Mr. Karim:

We are proposing the University of Oregon's fringe benefit rates for the fiscal year ending June 30, 2020 (FY2020). The differences between the calculated rate and actual costs will be incorporated in future annual calculations so the rate will represent actual costs incurred over time. The proposed FY2020 rates reflected below include carry-forward calculated from FY2018 actual costs.

The attached proposal includes actual cost rates for FY2018 and projected cost rates for FY2019 and FY2020. We are proposing the following rate categories and the respective rates:

	<u>FY2020</u>
Faculty/Staff A	80.4%
Faculty/Staff B	52.9%
Faculty/Staff C	33.0%
Classified Service	123.5%
Classified Skilled/Clerical	103.1%
Classified Technical	86.8%
Retirees-Temps	33.8%
Students	3.0%

Included are rate schedules with supporting documentation.

Please contact Stuart Laing at (541) 346-5838 or email - [slaing@uoregon.edu](mailto:slaing@uoregon.edu) if you have further questions or need additional information.

Sincerely,

Jamie Moffitt  
Vice President for Finance and Administration  
Chief Financial Officer (CFO)



### Certificate of F&A Costs

This is to certify that to the best of my knowledge and belief:

- (1) I have reviewed the Fringe Benefit Rate proposal submitted herewith;
- (2) All costs included in this proposal dated December 20, 2018 to establish Fringe Benefit rates for fiscal year 2020 (July 1, 2019 through June 30, 2020) are allowable in accordance with the requirements of the Federal agreement(s) to which they apply and with the cost principles applicable to those agreements;
- (3) This proposal does not include any costs which are unallowable under applicable cost principles such as (without limitation): advertising and public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, and defense of fraud proceedings;
- (4) All costs included in this proposal are properly allocable to Federal agreements on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements; and

I declare under penalty of perjury that the foregoing is true and correct.

Institution: University of Oregon

Signature: 

Name of Official: Jamie H Moffitt

Title: Vice-Pres Fin & Admin and CFO

Date of Submission: December 20, 2018

Signature: 

Name of Official: David Conover

Title: Vice Pres for Research and Innovation

Date of Submission: December 20, 2018



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# **B. FY 2018 Fringe Benefit Rates**



## FY2018 Fringe Benefit Rates

	Faculty/Staff A	Faculty/Staff B	Faculty/Staff C	Classified Service	Classified Skilled/Clerical	Classified Technical	Retirees/ Temps	Students	Total
<b>Fringe Benefit Costs:</b>									
Health Insurance	26,534,568	20,176,240	147,995	7,093,167	9,355,999	6,852,562	1,370,453	166	71,531,150
Other*	899,908	1,043,543	105,972	105,213	188,608	194,804	73,334	349,543	2,960,924
Payroll Tax	8,401,453	8,771,082	894,605	1,004,506	1,781,288	1,835,363	704,832	472,593	23,865,723
Retirement	24,480,763	27,784,956	2,751,410	3,053,118	5,696,161	5,857,806	444,403	48,681	70,117,299
Unemployment Insurance	186,513	226,655	14,366	21,859	38,733	40,200	17,608	1,388	547,321
Workers Comp-SAIF*	388,996	460,709	47,980	49,384	86,011	84,677	36,721	179,750	1,334,226
Leave	12,307,192	2,596,085	5,025	1,679,508	2,805,070	2,617,026	118,313	175,272	22,303,490
<b>TOTAL FRINGE BENEFIT COSTS</b>	<b>73,199,392</b>	<b>61,059,270</b>	<b>3,967,354</b>	<b>13,006,754</b>	<b>19,951,868</b>	<b>17,482,438</b>	<b>2,765,664</b>	<b>1,227,392</b>	<b>192,660,133</b>
<b>Salary and Wage Costs:</b>									
Salaries and Wages	100,413,411	126,346,592	13,313,734	11,494,351	20,816,681	21,627,624	9,475,169	41,324,687	344,812,248
<b>TOTAL SALARY AND WAGE COSTS</b>	<b>100,413,411</b>	<b>126,346,592</b>	<b>13,313,734</b>	<b>11,494,351</b>	<b>20,816,681</b>	<b>21,627,624</b>	<b>9,475,169</b>	<b>41,324,687</b>	<b>344,812,248</b>
<b>FRINGE BENEFIT RATE</b>	<b>72.9%</b>	<b>48.3%</b>	<b>29.8%</b>	<b>113.2%</b>	<b>95.8%</b>	<b>80.8%</b>	<b>29.2%</b>	<b>3.0%</b>	



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# **C. FY2018 Financial Statement Reconciliation**





## FY 2018 Financial Statement Reconciliation Schedule

Category	FY2018 Financial Statement	Payroll Ledger Adjustments	FY2018 Payroll Ledger	Other Adjustments <sup>1</sup>	Athletics	Amount included in Rate Calculation
Salaries and Wages	380,619,287	1,590,730	382,210,016	(8,634,443)	(28,763,325)	344,812,248
Fringe Benefits	228,255,638	8,665,540	236,921,178	(32,638,994)	(11,622,051)	192,660,133
<b>Grand Total of Personnel Costs</b>	<b>608,874,925</b>	<b>10,256,270</b>	<b>619,131,194</b>	<b>(41,273,437)</b>	<b>(40,385,376)</b>	<b>537,472,381</b>

Other Adjustments<sup>1</sup>: Removes earn codes that do not earn benefits from the Salaries and Wages category and removes Graduate Assistant Tuition Remissions, Graduate Medical Insurance, and Graduate Fees from the Fringe Benefits category.

The Athletics department operates as a self-sufficient entity that does not charge federal fund sources and is completely removed from the rate calculation.



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# **D. Employee Class Categories**



## Employee Class Categories

Employee Class	Description
Faculty/Staff A	The Faculty/Staff A Employee Class consists of all salaried staff employees and faculty members that are on a twelve-month schedule. Most of these employees are all eligible for sick leave and vacation leave.
Faculty/Staff B	The Faculty/Staff B Employee Class consists of faculty members that are on a nine-month schedule that are sick leave eligible but not eligible for vacation leave, all post-doctoral scholars, and employees coded as Executives.
Faculty/Staff C	The Faculty/Staff C Employee Class consists of all employees on summer term employment excluding students; and also includes faculty and staff on less than .5 FTE.
Classified Service	The Classified Service Employee Class consists of hourly employees that are coded as service/maintenance such as groundskeepers, custodians, laborers, and food service workers.
Classified Skilled/Clerical	The Classified Skilled/Clerical Employee Class consists of hourly employees that are coded as skilled and clerical.
Classified Technical	The Classified Technical Employee Class consists of hourly employees that are coded as technical and professional.
Retiree/Temps	The Retirees/Temps Employee Class consists of retired University of Oregon officers/teachers/researchers, hourly faculty and hourly staff less than .5FTE, and temporary support staff employees.
Students	The Students Employee Class consists of graduate employees, fellows, and undergraduate student employees.



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# **E. Salary & Wage Support**



## Salary & Wage Detail

Salary support for the employee titles included in each Employee Group can be provided in an Excel format. Due to the large data size these were not included within the proposal.

## Earning Codes Excluded from the Salary and Wage Cost Base

Earn Code	Earnings Code Description	Earn Code	Earnings Code Description
FAC	Awards, Cash	RW1	Fed Work-Study, Rate 1
FMC	Moving Expenses, Cash	RW2	Fed Work-Study, Rate 2
FPV	Allowance, Cash	RW3	Fed Work-Study, Rate3
GTI	Grad, International	RW4	Fed Work-Study, Rate 4
OAU	Other Pay, Units	RW5	Fed Work-Study, Rate 5
ONB	Other Academic Pay, No Benefit	RWS	Regular, Fed Work-Study
OVX	Overload, PERS Exempt	SAR	Salary, International
PEN	Penalty Pay	SSC	Settlement
RSB	Regular, Student Bonus	STO	Stipends - Other
RSC	Settlement - Classified	UDO	Deferred Pay Out

The leave dollars such as sick, vacation, personal, and compensatory time have been removed from salaries and added into the fringe benefit rate calculation. Bonuses, allowances, awards, and stipends without benefits have also been removed from the salary base.



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# **F. Fringe Benefit Support**



## Benefit Category Roll-up Detail

Deduction Category	Deduction Code	Deduction Desc
Health Insurance	P40	Prem. Subsidy \$40, Pre-Tax
Health Insurance	PSA	PEBB Employer Contrib Pre-Tax
Health Insurance	TAY	Academic Year Triple Cont
Health Insurance	TD1	Deferred OPE Exp - Health
Other	TD2	Deferred OPE Exp - Other
Other	TT1	Mass Transit Taxing Districts
Other	TT2	LTD Bus Pass
Payroll Tax	TME	Medicare Tax
Payroll Tax	TSS	Social Security Tax
Retirement	R00	OPSRP IAP Empl Acct Pd for You
Retirement	R01	IAP Employee Acct Paid for You
Retirement	R04	PERS Prior Year Contribution
Retirement	R06	Retirement Empr Contrib Tier 1
Retirement	R07	Retirement Empr Contrib Tier 2
Retirement	R08	Retirement Empr Contrib OPSRP
Retirement	R11	PERS/TIAACREF Paid for You
Retirement	R12	PERS/TIAACREF Employer Contrib
Retirement	R13	PERS/TIAACREF, 1st \$4800
Retirement	R14	PERS/TIAACREF Contrib on \$4800
Retirement	R1O	ORP OUS Tier 1 Paid for You
Retirement	R1T	ORP TIAA-CREF T1 Paid for You
Retirement	R1V	ORP VALIC Tier 1 Paid for You
Retirement	R2O	ORP OUS Tier 2 Paid for You
Retirement	R2T	ORP TIAA-CREF T2 Paid for You
Retirement	R2V	ORP VALIC Tier 2 Paid for You
Retirement	R3O	ORP OUS Tier 3 Paid for You
Retirement	R3T	ORP TIAA-CREF T3 Paid for You
Retirement	R3V	ORP VALIC Tier 3 Paid for You



### Benefit Category Roll-up Detail (continued)

Deduction Category	Deduction Code	Deduction Desc
Retirement	R4O	ORP OUS Tier 1 ER Contrib
Retirement	R4T	ORP TIAA-CREF T1 ER Contrib
Retirement	R4V	ORP VALIC Tier 1 ER Contrib
Retirement	R5O	ORP OUS Tier 2 ER Contrib
Retirement	R5T	ORP TIAA-CREF T2 ER Contrib
Retirement	R5V	ORP VALIC Tier 2 ER Contrib
Retirement	R6O	ORP OUS Tier 3 ER Contrib
Retirement	R6T	ORP TIAA-CREF T3 ER Contrib
Retirement	R6V	ORP VALIC Tier 3 ER Contrib
Retirement	RDR	PERS Retirement Debt Repayment
Retirement	REO	ORP Fidelity T4 Paid for You
Retirement	RET	ORP Tiaa-Cref T4 Paid for You
Retirement	RMO	ORP Fid Pretax TDI/EE Match T4
Retirement	RMT	ORP TC Pretax TDI/EE Match T4
Retirement	RRO	ORP Fid Roth TDI/EE Match T4
Retirement	RRT	ORP TC Roth TDI/EE Match T4
Retirement	TDP	Deferred OPE Exp - Retirement
Unemployment Insurance	TUI	Unemployment Insurance
Unemployment Insurance	TUX	Unemployment Insur-Othr States
Workers Comp-SAIF	TSF	State Accident Insurance Fund
Workers Comp-SAIF	TWC	Workers' Benefit Fund
Workers Comp-SAIF	TWE	Workers' Benefit Fund-Exempt
Workers Comp-SAIF	TWN	New Mexico Workers' Comp Fee
Workers Comp-SAIF	TWW	WA State Workers' Compensation





### Benefit Category Roll-up Detail (continued)

Deduction Category	Deduction Code	Deduction Desc
Leave	LPC	Comp Time, Exempt Paid
Leave	LPV	Vacation Leave Paid
Leave	LTC	Comp Time Taken
Leave	LTG	Sick Days Taken - GTF
Leave	LTP	Personal Leave Taken
Leave	LTQ	Personal Leave Taken
Leave	LTS	Sick Leave Taken
Leave	LTT	Sick Leave Taken-Special Rate
Leave	LTV	Vacation Time Taken
Leave	LW4	Leave with Part Pay, Benefits



## Benefit: Health Insurance

The Category Health Insurance covers four different types of insurance: Medical, Dental, Vision, and Life. Additional information is available at <http://www.oregon.gov/DAS/PEBB/>

### Descriptions:

#### Medical

University of Oregon offers a choice of 4 medical plans:

- **PEBB Statewide PPO** – Plan allows access to a nationwide directory of preferred providers and does not require a designated primary care provider. Co-insurance is a percentage of rates. Referrals to specialists are not required.
- **Providence Choice and Moda Synergy** – These are managed care plans that require pre-designation of medical home or primary care physician. Co-payments are fixed amounts. Referrals are required to see specialists.
- **Kaiser HMO** – Managed-care model which allows care only through Kaiser Facilities. There are no deductibles and co-payments are fixed amounts. Referrals are required to see specialists.

#### Dental

University of Oregon offers four choices for dental plans:

- **ODS (Moda) PPO** - Plan does not require that policy holder pre-select a primary dentist. Services provided by dentists who do not participate in ODS (Moda) PPO plan will still be covered, although co-payments will be higher.
- **ODS (Moda) Premier** - Plan offers a nationwide network and does not require the policy holder to pre-select a primary dentist.
- **Willamette Dental** - Plan requires that the policy holder get treatment provided at the plan facilities only.
- **Kaiser Dental** - Plan requires that the policy holder get treatment provided in the plan facilities only.

#### Vision

University of Oregon offers one choice for the vision plan:

- **Vision Service Plan (VSP)** - University of Oregon provides this preferred-provider plan without any exclusions for pre-existing conditions. Plan holder is responsible for deductibles associated with vision exams and glasses, although there is no deductible for contact lenses.

#### Life

University of Oregon provides Basic Life insurance at no cost for employees. In addition, there are several types of optional life insurance plans available for a monthly premium paid by the employee.

- **Basic Life** - \$5,000 benefit.



**Benefit: Health Insurance (continued)**

**Applicable To:**

Benefit Category	Employee Class	Medical Eligible	Dental Eligible	Vision Eligible	Life Eligible
Health Insurance	Faculty/Staff A	Yes	Yes	Yes	Yes
Health Insurance	Faculty/Staff B	Yes	Yes	Yes	Yes
Health Insurance	Faculty/Staff C	Yes*	Yes*	Yes*	Yes
Health Insurance	Classified Service	Yes	Yes	Yes	Yes
Health Insurance	Classified Skilled/Clerical	Yes	Yes	Yes	Yes
Health Insurance	Classified Technical	Yes	Yes	Yes	Yes
Health Insurance	Retirees/Temps	Yes**	Yes**	Yes**	Yes
Health Insurance	Students	No***	No***	No	No

\* Employees on less than .5 FTE are not eligible for health insurance.

\*\* Retirees and Temporary employees are eligible for the same benefits as other staff if they meet the Affordable Care Act guidelines.

\*\*\* Graduate employees are eligible for medical insurance offered through the GTFE union. Graduate medical insurance is not part of the rate calculation and will be charged on an actual basis.

**Conditions:**

**Medical**

All benefit eligible employees may enroll for medical coverage provided they are employed at 0.5 FTE or higher. UO pays 95% of premium costs for all medical plans for those that qualify and are employed at 1.0 FTE. Eligible unclassified employees at 0.5 FTE or above are not prorated and receive full benefits. For eligible classified part-time staff, UO pays a prorated amount depending on hours worked. Per the current bargaining agreement, classified employees with 0.75 – 0.99 FTE are not prorated and receive full benefits. Classified employee may reduce their premium from 5% to 3% if they enroll in the lowest cost medical plan, increasing UO’s portion to 97%. Benefit-eligible staff may cover their spouses, domestic partners, and eligible dependent children.



## Benefit: Health Insurance (continued)

### **Dental**

All benefit eligible employees may enroll for dental coverage provided they are employed at .5 FTE or higher. For full-time employees, the premium share is the same as medical coverage chosen. For part-time employees and those who opt out of medical, the share is 5%. Classified employee may reduce their premium from 5% to 3% if they enroll in the lowest cost medical plan increasing UO's portion to 97%. Employees pay the remaining portion of the premium through payroll deduction. Benefits-eligible faculty and staff may cover their spouses, domestic partners, and eligible dependent children.

### **Vision**

All benefit eligible employees may enroll for vision coverage provided they are employed at .5 FTE or higher. UO pays 95% of premium costs for all medical plans for those that qualify. Classified employee may reduce their premium from 5% to 3% if they enroll in the lowest cost medical plan increasing UO's portion to 97%. Employees pay the remaining portion of the premium through payroll deduction. Benefits-eligible staff may cover their spouses, domestic partners, and eligible dependent children.

### **Life**

Employees must be enrolled in a medical plan or choose to opt out. Employee pays 5% of the basic life insurance and full premiums for optional life insurance.



## Benefit: Other

The “Other” benefit category primarily consists of public transportation benefits. This includes the Lane Transit District Bus Pass and the Mass Transit Tax. Additional information is available at <http://hr.uoregon.edu/benefits/new-employee-resource-center/quick-summary-services> and at [https://www.oregon.gov/DOR/forms/FormsPubs/transit-payroll-taxes\\_211-503.pdf](https://www.oregon.gov/DOR/forms/FormsPubs/transit-payroll-taxes_211-503.pdf) . The “Other” benefit category also includes minor fringe benefit accounting adjustments.

### Descriptions:

#### Lane Transit District Bus Pass

The University of Oregon contracts with the Lane Transit District to provide free-to-the-user LTD bus ridership. This program allows eligible employees to ride any LTD bus free of charge by presenting their UO Photo ID to the driver when boarding.

#### Mass Transit Tax

This transit tax is imposed directly on the employer and is managed by the Oregon Department of Revenue for Lane County Mass Transit District.

### Applicable To:

Benefit Category	Employee Class	LTD Bus Pass	Mass Transit Tax
Public Transportation	Faculty/Staff A	Yes	Yes
Public Transportation	Faculty/Staff B	Yes	Yes
Public Transportation	Faculty/Staff C	Yes	Yes
Public Transportation	Classified Service	Yes	Yes
Public Transportation	Classified Skilled/Clerical	Yes	Yes
Public Transportation	Classified Technical	Yes	Yes
Public Transportation	Retirees/Temps	Yes	Yes
Public Transportation	Students	No	Yes

### Conditions:

#### Lane Transit District Bus Pass

All Faculty and all other employees who are 0.5 FTE or greater are eligible.

#### Mass Transit Tax

It applies to the amount of gross payroll paid for services performed within the Lane County Mass Transit District and Tri-Met District (Portland).



## Benefit: Payroll Tax

### Description:

FICA (Federal Insurance Contributions Act) is a payroll tax imposed by the U.S. government on both employees and employers to fund Social Security and Medicare. FICA is a two-part tax consisting of OASDI (Old Age, Survivors, and Disability Insurance Program), which is a 6.2% tax imposed up to a specified wage limit (announced annually) and Medicare which is a 1.45% tax. An additional 0.9% Medicare Tax is imposed on employee wages in excess of \$200,000 or more in a calendar year.

### Applicable To:

Benefit Category	Employee Class	Eligible
Payroll Tax	Faculty/Staff A	Yes
Payroll Tax	Faculty/Staff B	Yes
Payroll Tax	Faculty/Staff C	Yes
Payroll Tax	Classified Service	Yes
Payroll Tax	Classified Skilled/Clerical	Yes
Payroll Tax	Classified Technical	Yes
Payroll Tax	Retirees/Temps	Yes
Payroll Tax	Students	Yes

### Conditions:

FICA Tax is applicable to all employees except enrolled UO students employed by the University.



## Benefit: Retirement

### Description:

University of Oregon has two employer paid pension plans, Oregon Public Service Retirement Plan (OPSRP)/Public Employees Retirement System (PERS) and the Optional Retirement Plan (ORP). Several options for a monthly retirement benefit exist and depend on the date of hire.

- **OPSRP/PERS** – is a hybrid arrangement including a defined benefit pension along with a defined contribution Individual Account Program (IAP). Plan benefits are formula driven and based on date of hire, years of service and earnings. Vesting occurs after 5 years of contributions or normal retirement age according to tier. IAP vests immediately.
  - PERS Tier 1**- Oregon PERS and an IAP. Retirement age of 58 or 30 years of qualifying service for employees hired before January 1, 1996.
  - PERS Tier 2**- Oregon PERS and an IAP. Retirement age of 60 or 30 years of qualifying services for employees hired on or after January 1, 1996 and before Aug 29, 2003.
  - OPSRP** - Defined Benefit and IAP. Retirement age 65 or 58 with 30 years of qualifying service for employees hired on or after August 29, 2003.
- **ORP** - This UO Defined Contribution 401(a) plan may be chosen by academic and unclassified employees in lieu of PERS membership. This is a self-directed account with several available investment options. It currently has 4 Tiers based on hire date. Retirement age of 58. Vesting occurs after 5 years of contribution or age 50.
  - ORP Post-Doctoral Scholars** - Beginning January 1, 2018, newly hired post-doctoral scholars are no longer eligible for membership in the public employees retirement system (PERS), but may participate in the optional retirement plan (ORP) and the 403(b) tax deferred investment plan (TDI) offered by the Oregon public universities. These newly hired post-doctoral scholars may contribute up to 4% of their salary to the TDI and the university will make a matching contribution to the ORP on their behalf. However, unlike other employees, the universities will not make an 8% employer contribution to the ORP on a post-doctoral scholar's behalf.

Additional information is available at <https://hr.uoregon.edu/benefits/retirement/pension-plans-%E2%80%93-your-retirement-foundation>



## Benefit: Retirement (continued)

### Applicable To:

Benefit Category	Employee Class	Eligible
Retirement Plan	Faculty/Staff A	Yes
Retirement Plan	Faculty/Staff B	Yes*
Retirement Plan	Faculty/Staff C	Yes
Retirement Plan	Classified Service	Yes
Retirement Plan	Classified Skilled/Clerical	Yes
Retirement Plan	Classified Technical	Yes
Retirement Plan	Retirees/Temps	Yes**
Retirement Plan	Students	No

\* Post-Doctoral Scholars are not eligible for PERS but may participate in ORP.

\*\* Retiree employees are not eligible, but Temporary Staff are.

### Conditions:

University of Oregon employees must work 6 full months before being eligible to participate in a retirement plan. All classified employees who meet the criteria will be enrolled in the OPSRP/PERS while unclassified employees need to choose between OPSRP/PERS and ORP. Employees who work 600 or more hours in a calendar year are eligible. Additionally, unclassified employees who work between 9 and 12 months per year and perform 50 or more hours of service during each of 6 full calendar months are eligible for ORP.

### Employer Contribution:

Employer contribution is based on the actuarially-determined amounts necessary to fully fund pension benefits. For PERS, the Employer Contributions for Tier One and Tier Two members are subject to change based on the rates periodically established by PERS. Under state law, the employer contributions to the ORP Tiers 1, 2, and 3 are based on the contribution rate of OPSRP/PERS and may change whenever the PERS/OPSRP defined benefit pension plan funding methods are revised. ORP Tier 4 participants receive a minimum 8% employer contribution and this contribution is not subject to change based on PERS/OPSRP contribution rates.





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## Benefit: Retirement (continued)

### **Employee Contribution:**

University of Oregon pays the Employee Contribution on behalf of employees. In OPSRP/PERS and ORP Tiers 1, 2, and 3, employee contributions are currently 6% of the first \$280,000 (2019) of the employee's annual salary (this limit is periodically adjusted for cost-of-living increases). However, ORP Tier 4 does not contribute the 6%; instead it offers an employer match of 1 – 4% of monthly applicable gross wages, which is contributed to the ORP, and is based on the employee's monthly contribution to the Tax Deferred Investment (TDI) 403(b) plan. The TDI has a maximum contribution as determined by the federal government each year.

### **Pension Obligation Bonds:**

Currently, University of Oregon pays a portion of the debt service for a pension obligation bond incurred by PERS. A percentage is contributed monthly on behalf of all enrolled PERS employees towards this repayment.



## Benefit: Unemployment Insurance

### Description:

Unemployment Insurance is a federal-state program jointly financed through federal and state employer payroll taxes, which provides compensation to unemployed workers.

### Applicable To:

Benefit Category	Employee Class	Eligible
Unemployment Insurance	Faculty/Staff A	Yes
Unemployment Insurance	Faculty/Staff B	Yes
Unemployment Insurance	Faculty/Staff C	Yes
Unemployment Insurance	Classified Service	Yes
Unemployment Insurance	Classified Skilled/Clerical	Yes
Unemployment Insurance	Classified Technical	Yes
Unemployment Insurance	Retirees/Temps	Yes
Unemployment Insurance	Students	Yes

### Conditions:

University of Oregon coverage ends on the last day the policy holder is actively working at the university. The employee may be eligible for Unemployment Insurance benefits. However, if the employee is on temporary layoff between academic terms and has reasonable assurance that he or she will be rehired, they are generally not eligible for benefits.



## Benefit: Workers' Compensation Insurance - SAIF

### Description:

Oregon's State Accident Insurance Fund (SAIF) is a state chartered workers compensation insurance provider. Workers' Compensation Insurance coverage is a program that provides medical, rehabilitation, income, death and other benefits to employees and dependents due to injury, illness and death resulting from a compensable work-related claim covered by law.

### Applicable To:

Benefit Category	Employee Class	Eligible
Workers' Compensation Insurance - SAIF	Faculty/Staff A	Yes
Workers' Compensation Insurance - SAIF	Faculty/Staff B	Yes
Workers' Compensation Insurance - SAIF	Faculty/Staff C	Yes
Workers' Compensation Insurance - SAIF	Classified Service	Yes
Workers' Compensation Insurance - SAIF	Classified Skilled/Clerical	Yes
Workers' Compensation Insurance - SAIF	Classified Technical	Yes
Workers' Compensation Insurance - SAIF	Retirees/Temps	Yes
Workers' Compensation Insurance - SAIF	Students	Yes

### Conditions:

State Accident Insurance Fund is applicable to all employees.



## Benefit: Leave

### Descriptions:

#### Sick Leave

Eligible employees earn sick leave credits and use them for any period of absence from service due to the employee's illness, injury, medical or dental care, or attendance upon members of the employee's (or employee's spouses) immediate family due to illness or death.

#### Vacation Leave

Eligible employees accrue vacation leave monthly. Full time employees accrue from 8 hours up to 18 hours per month depending on their years of service and employment classification. Eligible employees on a .50 FTE or more accrue vacation in proportion to their FTE.

#### Personal Leave

Eligible Full time classified employees are entitled to 24 hours of personal leave with pay each fiscal year. Part-time employees are granted such leave in a prorated amount.

#### Compensation Time

All University of Oregon Service SEIU, Teamster contract employees and some Faculty/Staff may elect to receive compensatory time for overtime worked.

### Applicable To:

Benefit Category	Employee Class	Sick Eligible	Vacation Eligible	Personal Eligible	Compensation Time Eligible
Leave	Faculty/Staff A	Yes	Yes	No	Yes**
Leave	Faculty/Staff B	Yes	Yes*	No	No
Leave	Faculty/Staff C	Yes	Yes	No	No
Leave	Classified Service	Yes	Yes	Yes	Yes
Leave	Classified Skilled/Clerical	Yes	Yes	Yes	Yes
Leave	Classified Technical	Yes	Yes	Yes	Yes
Leave	Retirees/Temps	Yes	No	No	Yes**
Leave	Students	Yes	No	No	No

\*Academic year (9 Month) Faculty are only eligible for sick leave.

\*\* Some Faculty/Staff are eligible for comp time.



## Benefit: Leave (continued)

### Conditions:

#### Sick Leave

Full-time employees are credited up to eight hours of sick leave for each full month of service. Part-time employees are credited a pro rata amount dependent upon the bargaining agreement, if applicable. As of January 1, 2016, all employees became eligible for sick leave in the State of Oregon under SB 454 – 2016. This included Retiree-Temp and students.

#### Vacation Leave

Employees may not accrue in excess of 260 hours (SEIU - Service Employees International Union - employees 250 hours), and any accrued vacation leave in excess of this cap will be forfeited. Upon termination of employment or movement from a 12-month appointment to a 9-month contract, unclassified employees receive payment for 180 unused accrued vacation hours. SEIU employees receive payment for 250 hours.

#### Personal Leave

Personal Leave applies to University of Oregon Employees who are part of the SEIU Collective Bargaining Agreement, UO Police Association and the Teamsters Collective Bargaining Agreement. Personal leave is not cumulative from year to year. Unused leave is not compensable in any other manner.

#### Compensation Time

SEIU employees may not accrue more than 120 hours. UO Police Association and Teamster contract employees may not accrue more than 100 hours. Faculty/Staff who are eligible may not accrue more than 240 hours.



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# **G. Fringe Benefit Model Projections FY 2020**



## FY2018 Rate Calculation with FY2019 Employee Classifications

	Faculty/Staff A	Faculty/Staff B	Faculty/Staff C	Classified Service	Classified Skilled/Clerical	Classified Technical	Retirees/ Temps	Students	Total
<b>Fringe Benefit Costs:</b>									
Health Insurance	24,608,943	21,539,444	696,065	7,137,159	9,301,582	6,862,987	1,384,803	166	71,531,150
Other*	795,781	1,085,186	178,602	116,894	201,112	203,682	73,179	313,340	2,967,776
Payroll Tax	7,302,666	9,139,538	1,594,207	1,010,778	1,771,431	1,838,947	735,562	472,524	23,865,653
Retirement	21,118,213	29,455,453	4,392,080	3,067,006	5,662,007	5,878,073	495,786	48,681	70,117,299
Unemployment Insurance	161,146	233,278	32,346	21,999	38,528	40,265	18,371	1,388	547,321
Workers Comp-SAIF*	426,570	467,559	53,652	91,025	135,762	116,406	23,831	45,003	1,359,808
Leave	10,801,391	3,996,212	101,643	1,686,532	2,795,390	2,619,680	127,370	175,272	22,303,490
<b>TOTAL FRINGE BENEFIT COSTS</b>	<b>65,214,710</b>	<b>65,916,671</b>	<b>7,048,595</b>	<b>13,131,392</b>	<b>19,905,813</b>	<b>17,560,040</b>	<b>2,858,903</b>	<b>1,056,373</b>	<b>192,692,496</b>
<b>Salary and Wage Costs:</b>									
Salaries and Wages	85,937,636	131,126,018	22,607,290	11,567,079	20,685,521	21,686,056	9,877,962	41,322,062	344,809,624
<b>TOTAL SALARY AND WAGE COSTS</b>	<b>85,937,636</b>	<b>131,126,018</b>	<b>22,607,290</b>	<b>11,567,079</b>	<b>20,685,521</b>	<b>21,686,056</b>	<b>9,877,962</b>	<b>41,322,062</b>	<b>344,809,624</b>
<b>FRINGE BENEFIT RATE</b>	<b>75.9%</b>	<b>50.3%</b>	<b>31.2%</b>	<b>113.5%</b>	<b>96.2%</b>	<b>81.0%</b>	<b>28.9%</b>	<b>2.6%</b>	

In our FY2019 Proposal (which was based upon FY2017 costs), we updated the Employee Group classifications for the following employee types:

- Post-doctoral scholars reclassified from Faculty/Staff A to Faculty/Staff B
- Salaried faculty and staff less than .5 FTE reclassified from Faculty/Staff A and Faculty/Staff B to Faculty/Staff C
- Hourly faculty and staff less than .5 FTE reclassified from Faculty/Staff A and Faculty/Staff B to Retirees/Temp

The table above reflects the updated employee classifications using FY2018 actual data. These amounts are the basis for our FY2019 and FY2020 projections on the following pages.



## FY2019 Projected Fringe Benefit Rate Calculation

	Faculty/Staff A	Faculty/Staff B	Faculty/Staff C	Classified Service	Classified Skilled/Clerical	Classified Technical	Retirees/ Temps	Students	Total
<b>Fringe Benefit Costs:</b>									
Health Insurance	25,519,474	22,336,404	721,819	7,401,234	9,645,741	7,116,917	1,436,041	172	74,177,802
Other	815,676	1,124,253	185,032	122,271	210,363	213,051	73,545	326,500	3,070,690
Payroll Tax	7,485,232	9,468,561	1,651,599	1,057,274	1,852,917	1,923,539	739,240	492,370	24,670,731
Retirement	21,646,168	30,515,849	4,550,195	3,208,088	5,922,459	6,148,464	498,265	50,726	72,540,215
Unemployment Insurance	165,175	241,676	33,511	23,011	40,300	42,117	18,463	1,446	565,699
Workers' Compensation - SAIF	437,234	484,391	55,583	95,212	142,007	121,761	23,951	46,893	1,407,032
Leave	11,071,425	4,140,075	105,302	1,764,113	2,923,978	2,740,186	128,007	182,634	23,055,720
<b>TOTAL FRINGE BENEFIT COSTS</b>	<b>67,140,385</b>	<b>68,311,210</b>	<b>7,303,040</b>	<b>13,671,202</b>	<b>20,737,766</b>	<b>18,306,034</b>	<b>2,917,511</b>	<b>1,100,740</b>	<b>199,487,889</b>
<b>Salary and Wage Costs:</b>									
Salaries and Wages	88,086,077	135,846,555	23,421,152	12,099,165	21,637,055	22,683,615	9,927,352	43,057,589	356,758,559
<b>TOTAL SALARY AND WAGE COSTS</b>	<b>88,086,077</b>	<b>135,846,555</b>	<b>23,421,152</b>	<b>12,099,165</b>	<b>21,637,055</b>	<b>22,683,615</b>	<b>9,927,352</b>	<b>43,057,589</b>	<b>356,758,559</b>
<b>Fringe Benefit Rate</b>	<b>76.2%</b>	<b>50.3%</b>	<b>31.2%</b>	<b>113.0%</b>	<b>95.8%</b>	<b>80.7%</b>	<b>29.4%</b>	<b>2.6%</b>	





## FY2020 Projected Fringe Benefit Rate Calculation

	Faculty/Staff A	Faculty/Staff B	Faculty/Staff C	Classified Service	Classified Skilled/Clerical	Classified Technical	Retirees/ Temps	Students	Total
<b>Fringe Benefit Costs:</b>									
Health Insurance	26,463,695	23,162,851	748,527	7,675,079	10,002,633	7,380,243	1,489,175	178	76,922,381
Other	832,805	1,159,105	190,768	123,494	212,466	215,182	73,913	340,213	3,147,945
Payroll Tax	7,642,422	9,762,087	1,702,798	1,067,847	1,871,446	1,942,774	742,936	513,049	25,245,359
Retirement	24,992,114	35,096,413	5,271,887	3,750,875	6,884,049	7,175,970	570,648	62,011	83,803,968
Unemployment Insurance	168,644	249,168	34,550	23,241	40,703	42,538	18,555	1,507	578,905
Workers' Compensation - SAIF	337,937	378,051	43,381	72,796	108,575	93,095	18,221	36,989	1,089,044
Leave	11,303,925	4,268,418	108,566	1,781,754	2,953,218	2,767,588	128,647	190,304	23,502,420
<b>TOTAL FRINGE BENEFIT COSTS</b>	<b>71,741,542</b>	<b>74,076,093</b>	<b>8,100,476</b>	<b>14,495,086</b>	<b>22,073,090</b>	<b>19,617,389</b>	<b>3,042,095</b>	<b>1,144,251</b>	<b>214,290,023</b>
<b>Salary and Wage Costs:</b>									
<b>Salaries and Wages</b>	<b>89,935,884</b>	<b>140,057,798</b>	<b>24,147,208</b>	<b>12,220,156</b>	<b>21,853,426</b>	<b>22,910,451</b>	<b>9,976,989</b>	<b>44,866,008</b>	<b>365,967,919</b>
<b>TOTAL SALARY AND WAGE COSTS</b>	<b>89,935,884</b>	<b>140,057,798</b>	<b>24,147,208</b>	<b>12,220,156</b>	<b>21,853,426</b>	<b>22,910,451</b>	<b>9,976,989</b>	<b>44,866,008</b>	<b>365,967,919</b>
<b>Fringe Benefit Rate</b>	<b>79.8%</b>	<b>52.9%</b>	<b>33.5%</b>	<b>118.6%</b>	<b>101.0%</b>	<b>85.6%</b>	<b>30.5%</b>	<b>2.6%</b>	



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## Projected Fringe Benefit Assumptions

Fringe Benefit Costs:	FY2019 % Change	FY2020 % Change
Health Insurance	3.7%	3.7%
Other	Salary % Increase	Salary % Increase
Payroll Tax	Salary % Increase	Salary % Increase
Retirement	Salary % Increase	Salary % Increase + Rate Increase
Unemployment Insurance	Salary % Increase	Salary % Increase
Workers' Compensation - SAIF	Salary % Increase	Salary % Increase less rate decrease
Leave	Salary % Increase	Salary % Increase

The majority of fringe benefit categories will increase at the same pace as salaries. The State of Oregon PERS board has informed agencies state wide there will be significant increases in retirement contributions in FY2022 and FY2024. The University of Oregon will need to work with DHHS to incorporate these increases in any of our future rates.



## Projected Salary and Wage Assumptions

Salary and Wage Costs:	FY2019 % Change	FY2020 % Change
Faculty/Staff A	2.5%	2.1%
Faculty/Staff B	3.6%	3.1%
Faculty/Staff C	3.6%	3.1%
Classified Service	4.6%	1.0%
Classified Skilled/Clerical	4.6%	1.0%
Classified Technical	4.6%	1.0%
Retirees-Temps	0.5%	0.5%
Students	4.2%	4.2%

The salary and wage projections are based upon union contracts and University decisions on cost of living adjustments, step increases, and merit increases. Contracts with the United Academics Union, the Service Employees International Union, the University of Oregon Police Association, the Teamsters Union, and the Graduate Teaching Fellows Federation were all considered in these projections. More details are available upon request.



## Carry-Forward Calculation

**INSTITUTION: UNIVERSITY OF OREGON**  
**FIXED RATE CARRY FORWARD COMPUTATION**  
**FOR FYE 6/30/2018**

CALCULATION OF CARRY FORWARD AMOUNT:	Faculty/ Staff	Faculty/	Faculty/	Classified	Classified	Classified	Retirees/	
	A	Staff B	Staff C	Service	Skilled/ Clerical	Technical	Temps	Students
1. Fringe Benefit Cost Recovery								
Fixed Rate for FYE 2018	72.3%	48.3%	30.7%	108.0%	93.6%	79.6%	25.7%	2.5%
Actual Base for FY 2018	100,413,411	126,346,592	13,313,734	11,494,351	20,816,681	21,627,624	9,475,169	41,324,687
Fixed Rate x Actual Base	72,598,896	61,025,404	4,087,316	12,413,899	19,484,413	17,215,589	2,435,118	1,033,117
2. Prior Year Carry Forward for FY 2016								
Less Under-Recovery or Add Overrecovery	0	0	0	0	0	0	0	0
3. Net Fringe Benefit Cost Recovery for FY 2018	72,598,896	61,025,404	4,087,316	12,413,899	19,484,413	17,215,589	2,435,118	1,033,117
4. Less: Actual Fringe Benefit Cost Pool F 2018	73,199,392	61,059,270	3,967,354	13,006,754	19,951,868	17,482,438	2,765,664	1,227,392
5. (Under) Overrecovery to be Carried Forward	(600,496)	(33,866)	119,963	(592,854)	(467,455)	(266,849)	(330,546)	(194,275)
<b>CALCULATION OF FIXED RATE FOR FYE 2020</b>								
A. Projected FY Fringe Benefit Cost Pool	71,741,542	74,076,093	8,100,476	14,495,086	22,073,090	19,617,389	3,042,095	1,144,251
B. Deduct Amount from 5. above	600,496	33,866	(119,963)	592,854	467,455	266,849	330,546	194,275
C. Adjusted Fringe Benefit Cost Pool (A. Plus/Minus B.)	72,342,039	74,109,959	7,980,514	15,087,940	22,540,546	19,884,238	3,372,641	1,338,526
D. Projected Salary Base	89,935,884	140,057,798	24,147,208	12,220,156	21,853,426	22,910,451	9,976,989	44,866,008
E. Fixed Rate for FYE 2018 (C / D)	80.4%	52.9%	33.0%	123.5%	103.1%	86.8%	33.8%	3.0%
<b>2019 CURRENT RATE</b>	75.3%	50.8%	30.4%	111.9%	94.7%	79.8%	28.9%	3.0%
<b>2020 PROPOSED RATE</b>	80.4%	52.9%	33.0%	123.5%	103.1%	86.8%	33.8%	3.0%