

University of Washington
FY 2019 Fringe Benefit Proposal
Explanation of Rate Change

Salary Classification Object Code	Salary Classification Description	2018 Actual Rates	2019 Rates	Difference - 2018 to 2019	Footnote
01-10	Faculty - Campus	24.9%	26.1%	1.2%	(A)
01-20	Medical Residents	30.5%	32.5%	2.0%	(B)
01-30/40	Graduate Students	18.4%	17.3%	-1.1%	(C)
01-50	Post Doctoral Trainees	15.2%	17.0%	1.8%	(B)
01-60	Classified Staff - Campus	40.1%	40.5%	0.4%	
01-70	Professional Staff - Campus	32.5%	34.1%	1.6%	(A)
01-80	Hourly Staff	20.7%	20.9%	0.2%	
01-90	Pre Doctoral Trainees	27.6%	27.8%	0.2%	

General

Health care: Healthcare premiums increased from \$913/month in 2018 to \$916/month in 2019.

PERS: The PERS contribution rate used in the 2018 rates was 12.52% of salary; the contribution rate per salary dollar used for the 2019 rates was 12.70%.

Supplemental retirement: The increase in the Supplemental Retirement component of the rates in 2019 is due to: 1) an increase in the actuarially determined Total Pension Liability, and 2) an adjustment for undercharging of costs in 2017. The ARC used in the 2018 rates was \$33,763,000. Since the actuary report used in each load rate is always a couple years behind, we have an under-application of benefits that are charged through the 2019 rates. There has been a steady increase the past few years in the Total Pension Liability as calculated by the State Actuary's Office related to the UW Supplemental Retirement Plan, and this increase in the liability requires the University to charge a higher rate to campus related to the UWSRP (University of Washington Supplemental Retirement Plan).

- (A) The increase in the rate is due to the undercharging of UWSRP costs in previous year as well as the increase in the most recent actuary calculation of the Total Pension Liability. Additionally, healthcare premiums increased 1.3%.
- (B) The rate increased from the prior year due to the increase in the health care premium of 1.3% as well as the undercharged benefit costs from previous years.
- (C) The rate was decreased in 2019 to adjust for overcharged benefit costs in previous years.