



Benefit Rate Calculation Guide

Benefit Rates for Fiscal Year 2020		
Universities and UM System		
FICA (GL Account 710050)		7.65%
Pay-based Component (GL Account 710025)		14.22%
Per-person Component (GL Account 710010)		\$10,000
Monthly Pay Groups (\$10,000 divided by 12 pay periods)		\$833.33
Biweekly Pay Groups (\$10,000 divided by 26 pay periods)		\$384.62
Hospital		
FICA (GL Account 710050)		7.65%
Pay-based Component (GL Account 710025)		14.80%
Per-person Component (GL Account 710010)		\$9,115
Monthly Pay Groups (\$9,115 divided by 12 pay periods)		\$759.58
Biweekly Pay Groups (\$9,115 divided by 26 pay periods)		\$350.58

General Ledger

The pay-based component charges a percentage of pay on wages with an earn code that is pension eligible (PEN). The per-person component is an annual rate prorated over each pay period for any benefit-eligible employee. For employees whose salary is split-funded, the per-person component also is split based on the percentage of the employee's total pay allocated to a given chartfield. Each component will display as separate "BEN" lines, using GL Accounts 710025 and 710010, for each pay period.

Example:

John Smith is a monthly employee paid 100% from the same chartfields.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Smith, John	705000	0000	A0701004	0	0	00	REX	4,037.51	0.00
Smith, John	710010	0000	A0701004	0	0	00	BEN	0.00	833.33
Smith, John	710025	0000	A0701004	0	0	00	BEN	0.00	574.13
Smith, John	710050	0000	A0701004	0	0	00	BEN	0.00	308.32

Note: Both benefit rate components use the rates calculated for a UM System employee. The per-person component for one pay period (\$833.33) is charged 100% against the chartfields above. The pay-based component is calculated by taking 14.22% x \$4,037.51 (PEN eligible wages) coded to the REX earn code.

Calculations:

Total Earnings: \$4,037.51

- A0701004: \$4,037.51 / \$4,037.51 (100%)

Per-person Rate: A0701004 (\$833.33 x 100%) = \$833.33

Pay-based Rate: A0701004 (\$4,037.51 x 14.22%) = \$574.13

Example:

Jane Smith is a monthly employee split-funded between three different chartfields on the same Business Unit.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Smith,Jane	705000	0310	C0705012	0	0	00	REX	2,562.51	0.00
Smith,Jane	710010	0310	C0705012	0	0	00	BEN	0.00	500.00
Smith,Jane	710025	0310	C0705012	0	0	00	BEN	0.00	364.39
Smith,Jane	710050	0310	C0705012	0	0	00	BEN	0.00	177.47
Smith,Jane	705000	0310	C0705031	0	0	00	REX	1,067.72	0.00
Smith,Jane	710010	0310	C0705031	0	0	00	BEN	0.00	208.33
Smith,Jane	710025	0310	C0705031	0	0	00	BEN	0.00	151.83
Smith,Jane	710050	0310	C0705031	0	0	00	BEN	0.00	73.95
Smith,Jane	705000	0310	C0705034	0	0	00	REX	640.63	0.00
Smith,Jane	710010	0310	C0705034	0	0	00	BEN	0.00	125.00
Smith,Jane	710025	0310	C0705034	0	0	00	BEN	0.00	91.10
Smith,Jane	710050	0310	C0705034	0	0	00	BEN	0.00	44.35

Note: Both benefit rate components use the rates calculated for a Columbia employee. The per-person component for one pay period (\$833.33) is split among the different chartfields based on the percentage of the employee's total pay allocated to each chartfield. The pay-based component is calculated by taking 14.22% x each of the PEN eligible wages coded to the REX earn code and charged against each chartfield.

Calculations:

Total Earnings: \$4,270.86 (\$2,562.51 + \$1,067.72 + \$640.63)

- C0705012: \$2,562.51 / \$4,270.86 (60%)
- C0705031: \$1,067.72 / \$4,270.86 (25%)
- C0705034: \$640.63 / \$4,270.86 (15%)

Per-person Rate: C0705012 (\$833.33 x 60%) = \$500.00; C0705031 (\$833.33 x 25%) = \$208.33; C0705034 (\$833.33 x 15%) = \$125.00

Pay-based Rate: C0705012 (\$2,562.51 x 14.22%) = \$364.39; C0705031 (\$1,067.72 x 14.22%) = \$151.83; C0705034 (\$640.63 x 14.22%) = \$91.10

Example:

John Doe is a biweekly employee split-funded on two different Business Units.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Doe,John	705000	2015	C2614036	0	AC006	00	REG	147.84	0.00
Doe,John	710010	2015	C2614036	0	AC006	00	BEN	0.00	19.23
Doe,John	710025	2015	C2614036	0	AC006	00	BEN	0.00	21.02
Doe,John	710050	2015	C2614036	0	AC006	00	BEN	0.00	11.18
Doe,John	705000	0585	H0610001	0	0	00	REG	2,808.96	0.00
Doe,John	710010	0585	H0610001	0	0	00	BEN	0.00	333.05
Doe,John	710025	0585	H0610001	0	0	00	BEN	0.00	415.73
Doe,John	710050	0585	H0610001	0	0	00	BEN	0.00	212.40

Note: Each benefit rate component uses the rate calculated for the respective Business Unit on that chartfield. The per-person components for one pay period are split among the different chartfields based on the percentage of the employee's total pay allocated to each chartfield. The pay-based components are calculated by taking the rates x each of the PEN eligible wages coded to the REG earn code and charged against each chartfield.

Calculations:

Total Earnings: \$2,956.80 (\$147.84 + \$2,808.96)

- C2614036: \$147.84 / \$2,956.80 (5%)
- H0610001: \$2,808.96 / \$2,956.80 (95%)

Per-person Rate: C2614036 (\$384.62 x 5%) = \$19.23; H0610001 (\$350.58 x 95%) = \$333.05

Pay-based Rate: C2614036 (\$147.84 x 14.22%) = \$21.02; H0610001 (\$2,808.96 x 14.80%) = \$415.73

Special Considerations

Nine-Month Faculty	
FICA (GL Account 710050)	7.65%
Pay-based Component (GL Account 710025)	14.22%
Per-person Component (GL Account 710010)	\$10,000
Monthly Pay Groups (\$10,000 divided by 9 pay periods)	
	\$1,111.11

The per-person component uses the same annual rates for all Universities and UM System employees. For nine-month faculty appointments, the annual rate is prorated over 9 pay periods instead of 12 pay periods regardless if that faculty elects to be paid over 9 or 12 months. The pay-based component charges a percentage of pay on wages similar to how it does for all other employees.

Example:

Jane Doe has a nine-month faculty appointment.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Doe, Jane	701500	0000	S0105001	S8731	0	00	CRG	7,846.59	0.00
Doe, Jane	710010	0000	S0105001	S8731	0	00	BEN	0.00	1,111.11
Doe, Jane	710025	0000	S0105001	S8731	0	00	BEN	0.00	1,115.79
Doe, Jane	710050	0000	S0105001	S8731	0	00	BEN	0.00	554.81

Note: The per-person component for one pay period is at a higher rate since the annual rate is being prorated over nine pay periods. The pay-based component is calculated by taking 14.22% x \$7,846.59 (PEN eligible wages) coded to the CRG earn code.

Calculations:

Total Earnings: \$7,846.59

- S0105001: \$7,846.59 / \$7,846.59 (100%)

Per-person Rate: S0105001 (\$1,111.11 x 100%) = \$1,111.11

Pay-based Rate: S0105001 (\$7,846.59 x 14.22%) = \$1,115.79

Summer Pay – Earn Codes ATE, SPA, SPC, SPE, SPO, SPR, SST	
FICA (GL Account 710050)	7.65%
Pay-based Component (GL Account 710025)	14.22%
Per-person Component (GL Account 710010)	Excluded

The pay-based component charges a percentage of pay on additional summer earnings. The per-person component is not charged against any additional summer earnings since the higher rate was already collected for faculty members over the nine academic months. Examples of additional summer earnings may include pay to faculty for summer research, teaching credit courses, curricular development, department admin, etc.

Example:

John Johnson is working on research over the summer and receiving additional pay.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Johnson, John R	701000	0000	K0921101	0	0	00	SPR	2,000.00	0.00
Johnson, John R	710025	0000	K0921101	0	0	00	BEN	0.00	284.40
Johnson, John R	710050	0000	K0921101	0	0	00	BEN	0.00	148.59

Note: The pay-based component is calculated by taking 14.22% x \$2,000 (PEN eligible wages) coded to the SPR earn code. The per-person component is not calculated since the only earnings this pay period is for additional summer pay.

Calculations:

Total Earnings: \$2,000.00

- K0921101: \$2,000.00 / \$2,000.00 (100%)

Pay-based Rate: K0921101 (\$2,000.00 x 14.22%) = \$284.40

Per-person Rate: Excluded

Lump Sum Vacation Payout – Earn Code LAV	
FICA (GL Account 710050)	7.65%
Pay-based Component (GL Account 710025)	14.22% or 14.80%
Per-person Component (GL Account 710010)	Excluded

The pay-based component charges a percentage of pay on lump sum payouts. The per-person component is not charged against any additional earnings due to lump sum vacation payouts.

Example:

Jane Johnson receives a lump sum vacation payout.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Johnson, Jane B	705000	0000	R7001009	0	0	00	LAV	11,516.11	0.00
Johnson, Jane B	710025	0000	R7001009	0	0	00	BEN	0.00	1,637.59
Johnson, Jane B	710050	0000	R7001009	0	0	00	BEN	0.00	880.98

Note: The pay-based component is calculated by taking 14.22% x \$11,516.11 (PEN eligible wages) coded to the LAV earn code. The per-person component is not calculated since the only earnings this pay period is due to a lump sum vacation payout.

Calculations:

Total Earnings: \$11,516.11

- R7001009: \$11,516.11 / \$11,516.11 (100%)

Pay-based Rate: R7001009 (\$11,516.11 x 14.22%) = \$1,637.59

Per-person Rate: Excluded

**** FICA is calculated on an employee's total gross pay, so the 7.65% rate may not be visible in the examples above and therefore, not included in the calculations. For 2019, the wage base limit to collect FICA is \$132,900.**

Payroll Correcting Entry (PCE)

Retroactive payroll adjustments are made through the FIN Journal Entry application by clicking on the Create Payroll Correction button. Only the wage lines selected for a correction will be returned and new wage lines may be entered. The employee benefit lines, including the pay-based and per-person components, will automatically calculate based on the percentage of the employee's wages being corrected.

Example:

John Williams is a monthly employee and needs 100% of his pay moved to a different chartfield.

Fiscal Year: 2019					JOURNAL ENTRY					Journal Date: 03-28-2019				
Journal Id: 0011872310					Type of Transaction: Payroll Correction					Preparer: CONTROLR				
					Journal Status: Edit Req'd					Transaction Date: 03-28-2019				
Source: PCE					Budget Status: Not Chkd					Posted Date: n/a				
Ln	MoCode	Account	BU	Fund	Deptid	Pgm	Project	Class	Debit	Credit	Empl Rcd	Err Cd	Job Cd	
1	H2745	705000	HOSPT	0587	H1001038	0	00	0	0.00	6409.87	0	REX	2813	
2	H2776	705000	HOSPT	0587	H2105004	0	00	0	6409.87		0	REX	2813	

Note: The REX wage line is the only line open for correction with 100% of earnings being credited and moved to a new chartfield on the same Business Unit.

Calculations:

Total Earnings: \$6,409.87

- H1001038: \$6,409.87 / \$6,409.87 (100%)

Pay-based Rate: H2105004 (\$6,409.87 x 14.80%) = \$948.66

Per-person Rate: H2105004 (\$759.58 x 100%) = \$759.58

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Williams, John Z	705000	0587	H1001038	0	0	00	REX	6,409.87	0.00
Williams, John Z	710010	0587	H1001038	0	0	00	BEN	0.00	759.58
Williams, John Z	710025	0587	H1001038	0	0	00	BEN	0.00	948.66
Williams, John Z	710050	0587	H1001038	0	0	00	BEN	0.00	477.63
Williams, John Z	705000	0587	H1001038	0	0	00	REX	(6,409.87)	0.00
Williams, John Z	710010	0587	H1001038	0	0	00	BEN	0.00	(759.58)
Williams, John Z	710025	0587	H1001038	0	0	00	BEN	0.00	(948.66)
Williams, John Z	710050	0587	H1001038	0	0	00	BEN	0.00	(477.63)
Williams, John Z	705000	0587	H2105004	0	0	00	REX	6,409.87	0.00
Williams, John Z	710010	0587	H2105004	0	0	00	BEN	0.00	759.58
Williams, John Z	710025	0587	H2105004	0	0	00	BEN	0.00	948.66
Williams, John Z	710050	0587	H2105004	0	0	00	BEN	0.00	477.63

Note: The employee benefit lines, including the pay-based and per-person components, are calculated based on the percentage of wages being moved to a different chartfield. These lines are automatically created on the PCE journal.

Calculations:

Total Earnings: \$6,409.87

- H1001038: \$6,409.87 / \$6,409.87 (100%)

Pay-based Rate: H2105004 (\$6,409.87 x 14.80%) = \$948.66

Per-person Rate: H2105004 (\$759.58 x 100%) = \$759.58

Additional Resources

For additional information regarding the benefit rates, please visit the [Benefit Rate Charges](http://www.umsystem.edu/ums/fa/controller/benefit_rate) webpage at www.umsystem.edu/ums/fa/controller/benefit_rate.

A complete listing of Earnings Code Descriptions, including those that are pension eligible (PEN), can be found on the [Campus Payroll Information](#) page on the Controller's webpage or you can click [here](#).