



Peter Franchot
Comptroller

Robert J. Murphy
Director
Central Payroll Bureau

TO: All State Agencies

FROM: Robert J. Murphy, Director
Central Payroll Bureau

DATE: May 8, 2014

RE: Central Payroll Employer Paid Subsidies Adjustments
effective PPE 5/13/14 – REGULAR Payroll & PPE 5/17/14 – UNIVERSITY Payroll

Additional adjustments will be made as part of the 2014 General Assembly's approval of FY 2014 appropriation reductions for retirement and health insurance. The FY 2014 employer paid subsidies for retirement and health insurance are further adjusted (from the adjustments which began for Regular Payroll PPE 4/15/14 and University Payroll PPE 4/19/14) as detailed on the amended "Page 1 and Page 4" dated May 8, 2014 (attached) of the "Employer Paid Fringe Benefits" explanation sheets for FY 2014. The changes at this time are particular to Retirement Object 0161 and Object 0162.

As shown the Retirement/Pension Subsidy changes will be effective for Regular pay period ending 5/13/14 through pay period ending 6/24/14 and for the University Payroll for PPE 5/17/14 through pay period ending 6/28/14.

The Special Subsidies (0154) have also been adjusted from the April 18, 2014 amounts and will be effective for Regular pay period ending 5/13/14 through pay period ending 6/24/14, and for the University pay period ending 5/17/2014 through pay period ending 6/28/14.

If you have any questions please contact me at 410-260-7406 or e-mail rmurphy@comp.state.md.us

/gls

Enclosures (Page 1 and Page 4)

FISCAL YEAR 2014 – STARTS FOR REGULAR PPE 5/13/2014 ENDS PPE 6/24/14
STARTS FOR UNIVERSITY PPE 5/17/2014 ENDS PPE 6/28/14

EMPLOYER PAID FRINGE BENEFITS

1. Retirement/Pension Subsidy - This subsidy is applied by the Statewide Payroll System when the employee is established in a retirement or pension system. It is computed as a percent of the stated annual salary, divided by the number of pay period ending dates for the fiscal year over which the employee's deduction would be active (divisor column below) and taken as a fixed amount from the first dollar of wages. This subsidy is charged whenever wages are paid, even if by nature of the plan the employees do not make a contribution or do not make a contribution until reaching the value of the OASDI FICA wage base (\$113,700 in calendar 2013). However, if the employees are required to make a contribution and have insufficient wages for their own contribution, no subsidy will be charged.

***** Employer Paid Deduction *****						***** Related Employee Paid Deductions *****	
Deduction Code	Pay Stub Description	R*STARS Object	Accounts COM Sub-Object	FY 2014 Rate	Divisor	Deduction Code	Pay Stub Description
73	RET/PEN SUB	01	0163	11.93%	20	08*	ST TCHR RETMT
		01	0161	9.12%	26	09*	ST EMP RETMT
		01	0165	65.47%	26	10*	ST POL RETMT
		01	0166	50.92%	12	11*	JUDGES RETMT
		01	0166	50.92%	12	AE	JUDGES NONCTRB
		01	0161	9.12%	12	12*	LEGIS RETMT
		01	0161	9.12%	12	CB	LEGIS NONCTRB
		01	0164	17.09%	20	17*	ST TCHR PENS
		01	0164	17.09%	20	DA*	ST TCH ALT PEN
		01	0162	9.12%	26	18*	ST EMP PENSION
		01	0162	9.12%	26	DC*	ST EMP ALT PEN
		01	0169	46.07%	26	BQ*	LAW ENF RETMT
		01	0169	46.07%	26	BR*	LAW ENF PENS
		01	0168	7.25%	20	28	TIAA NCTR ORP
		01	0168	7.25%	20	DH	FDLTY NCTR ORP
73	SCHOOL FOR DEAF	01	0162	9.12%	21	BY **	ST MSD EMP MOD
95	FED EMP SAVSUB	01	0199	Fixed Amt	NA	30	FED EMP SAVING
98	FCSRET SUBSIDY	01	0170	7.00%	NA	19	FCS RETMT
97	FERS RET SUB	01	0170	11.90%	NA	96	FERS RETMT

Agencies with employees who have Baltimore City Retirement or Pension (Deductions 15, BC or BW) or County Retirement or Pension (Deduction 44) are responsible for directly remitting the matching employer share to the appropriate office and charging the proper object and Comptroller of Maryland (COM) sub-object through R*STARS.

* All employee contributions for these systems are Federal income tax sheltered but continue to be taxable for FICA (Social Security) and Maryland State income tax.
 ** Represents 21 pay non-faculty employees with the Maryland School for the Deaf.

FISCAL YEAR 2014 – STARTS REGULAR PPE 5/13/2014 ENDS 6/24/14
STARTS UNIVERSITY PPE 5/17/2014 ENDS 6/28/14
EMPLOYER PAID FRINGE BENEFITS

4. Continued

AJ	PHARMACY SUB	01	0152	Employee Coverage AH PHARMACY PLAN
				Domestic Partner Coverage BK TX PHARMACY
AQ	DENTAL SUBSIDY	01	0152	Employee Coverage AP UCC DENTL DPPO AS UCC DENTL DHMO
				Domestic Partner Coverage CR TX UCC DT DPPO CS TX UCC DT DHMO

* Vision Plan and Vision Subsidy are now included in the health plan and health subsidy program.

5. Special Subsidy - This subsidy is applied by the Statewide Payroll System as a percentage of the agency charge for Health Insurance Subsidy, Dental Subsidy and Pharmacy Subsidy. This subsidy will be charged to agencies for Fiscal Year 2014 per the Department of Budget and Management.

*****	<u>Employer Paid Deduction</u>				*****	****	<u>Related Employee Paid Deductions</u>		****
Deduction Code	Pay Stub Description	R*STARS Accounts Object	COM Sub-Object	FY 2014 Rate	Deduction Code	Pay Stub Description			
None	None	01	0154	0.00%	None	None			

* The Special Subsidy will not be charged for those individuals who are not eligible for or do not participate in any retirement or pension system. Participants in the optional retirement systems will be charged a Special Subsidy which is one-half that for other eligible employees (0.00%) This is the budgeted rate for Fiscal Year 2014.