



## **Salary and Fringe Benefits Procedure**

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**Implemented: March, 2008**

### **PURPOSE**

It is the philosophy of San Francisco State University (SFSU) to provide a broad array of benefits plans for participation by eligible employees in a manner consistent with state guidelines and in accordance with funding specifications. General benefits plans include health, dental, vision, life insurance, long term disability, and retirement. Other major fringe benefits include sick leave, vacation leave, personal holiday and workers' compensation. Numerous additional plans are available for participation on a voluntary basis. For grants and contracts administration, the term "benefits" also includes federal and state-mandated benefits such as employer-paid Social Security and Medicare tax, non-industrial disability insurance, worker's compensation, and unemployment insurance.

### **SCOPE**

These guidelines apply to all positions for staff and faculty covered by collective bargaining agreements, appointed into the Management Personnel Plan (MPP), or into Research Fellow positions. These guidelines do not apply to positions or classifications excluded from collective bargaining representation, e.g., Student Assistants/work study, special consultants, etc.

Where the provisions of these guidelines are in conflict with the Collective Bargaining Agreements reached pursuant to Chapter 12 (Commencing with Section 3560) of Division 4 of Title I of the Government Code, the Collective Bargaining Agreements shall take precedence.

### **ROLES AND RESPONSIBILITIES**

#### **Office of Research and Sponsored Programs**

- **Personnel Staff**
  - Approves all appointments for grant-funded employees.
  - Assists Principal Investigators (PI's) in the development and classification of grant-funded positions.
  - Assists in identifying benefit programs for which the employee is eligible.
  - Determines benefit costs and provides assistance to PI's, Grants Administrators and Proposal Specialists in ORSP in the proposal development and post-award phases of a grant or contract.
- **ORSP Personnel Manager**
  - Approves all employment transactions before forwarding to Human Resources and Payroll for the completion of processing.
  - Tracks potential changes in benefit costs.
  - Develops the ORSP Benefit Matrix on an annual basis.

- **Grants Administrators**
  - Reviews personnel transactions to ensure that salary and benefit costs are allowable under the terms and conditions of the award and that sufficient funds exist to cover costs.

#### **Human Resources**

- **Human Resources Staff**
  - Provides benefits information and orientation programs to employees.
  - Assists employees in completing benefits enrollment documents, auditing and processing benefits enrollment documents, and resolves problems and discrepancies that employees encounter with enrollment and verification of coverage.

#### **Academic Department or Responsible Unit**

- **Principal Investigator (PI)**
  - Tracks employee benefit costs on a monthly basis, as part of reconciling project expenditures particularly since the cost of employee benefits may change based on alterations in benefits plans and eligibility.
  - Reports usage of sick and vacation leave for themselves and project staff on a timely basis to ensure that accurate financial statements are submitted to the funder.
- **Employee**
  - Reports absences to the PI as soon as possible in compliance with department policies and submits the monthly Absence Report on a timely basis.
  - Provides a physician's statement or other appropriate verification for absences (not normally required for absences of five or fewer consecutive days).
  - Requests vacation leave in accordance with University policy.

#### **ELIGIBILITY**

Employees of the CSU are eligible for benefits based on the time base of the appointment, the length of the appointment, and the classification (collective bargaining unit). To be eligible for benefits (health, dental and vision), staff and research fellows must be appointed at half time (.50) or more and for a period of at least six months and one day and faculty must be appointed for at least 6 weighted teaching units (.40) for one semester or more. Eligibility for CalPERS retirement requires an appointment of one year and one day and a time base of 50% or 100% time for six months and one day. Hourly employees may be eligible for CalPERS if they work more than 1000 hours in a fiscal year. Employees with prior work history and participation in CalPERS will be enrolled in CalPERS, regardless of the time base, classification or length of the appointment. All SFSU and CSU employment shall be considered when determining benefits eligibility. Students are generally not eligible for participation in benefits plans except for Medicare and Worker's Compensation Insurance.

Employees may enroll a spouse/domestic partner and unmarried child or economic dependent under age 23. If enrolling a spouse/domestic partner or a child/adopted child/economic dependent child the following documents are required:

- Marriage certificate (spouse)
- Declaration of Domestic Partnership (Domestic Partner)
- Birth certificate (dependent child)
- Adoption certificate (adopted child)
- Affidavit of Eligibility for Economically Dependent Children (economic dependent)

## **ENROLLMENT**

Enrollment forms must be received within 60 days of the date of appointment. The effective date of health, dental and vision coverage is the first of the month following the date the enrollment forms are received in the Human Resources (note: appearance of benefits costs on the LCD reports are tied to enrollment and changes made). Employees are responsible for notifying the Benefit office within 60 days of any life changes that may require changes to their benefit plans, such as marriage, divorce, birth of a child or a child turning age 23. If the deadline is missed, employees may enroll in health and dental insurance plans after a 90-day waiting period under the Health Care Portability and Accountability Act, or during the annual open enrollment period with coverage effective on the following January 1.

## **SICK LEAVE**

Full-time employees accrue eight hours of sick leave per month; part-time employees earn sick leave on a pro rata basis. Employees must be on pay status 11 workdays in a pay period to accrue sick leave credits for that month. Sick leave credits may not be used prior to their accrual, which occurs on the first day of the following pay period. There is no maximum accrual for sick leave; unused sick leave may be converted into service credit at retirement in accordance with CalPERS guidelines.

## **VACATION LEAVE**

Full-time employees accrue vacation leave on the basis of length of employment in accordance with collective bargaining agreements. For example, employees who have been appointed from one month to three years accrue at the rate of 6-2/3 hours per month (2 weeks per year); from 3 years to 6 years, they accrue at the rate of 10 hours per month (3 weeks per year). Part-time employees accrue vacation on a pro-rata basis. Employees must be on pay status 11 workdays in a pay period to accrue vacation leave credits of that month. Vacation leave credits may not be used prior to their accrual, which occurs on the first day of the following pay period. There is a maximum vacation accrual rate: 272 hours for staff employed up to 10 years.

## **PROGRAM BUDGETS**

When budgeting costs for sponsored programs, ORSP makes every effort to budget as accurately as possible. If the employee is listed in the program budget as "To Be Named," then an average rate will be used to budget benefit costs. The difference between the average, budgeted cost and the actual costs is dependent on several factors. The cost of health insurance will depend on the level of coverage chosen by the employee. The cost of a retirement plan will depend on the employee's eligibility for CalPERS. The cost of retirement taxes may depend on an employee's visa status. The fringe benefit rate will also be affected by the time base of an employee's appointment. If an employee is appointed at 50% time, he/she will still be eligible for health, dental and vision coverage. However, as a percentage of gross earnings, the fringe benefit rate will be higher than that of a full-time employee.

When an average cost is budgeted for an employee, and the project is funded, budgeted amounts and actual costs must be analyzed and reconciled in order to ensure that sufficient funds are available to cover actual costs. All employees listed on program budgets will have an associated fringe benefit rate. In addition, faculty receiving additional pay during intersession, or additional pay while on sabbatical or other types of leave, will also have an associated fringe benefit cost.

The benefit costs for faculty, postdoctoral researchers, staff and students are charged to sponsored programs based on the University's federally negotiated indirect cost agreement. The terms and conditions of the agreement are negotiated every five years with the Department of Health and Human

Services (the cognizant agency for SFSU). The agreement states, in Section II: Treatment of Fringe Benefits, that the actual cost of benefits will be directly charged to federal projects. The one exception to this is also addressed in Section II, under Treatment of Paid Absences. Federal projects are charged an accrual rate for all eligible employee categories. The current rate is 4% for sick leave and 4% for vacation leave. When employees claim sick or vacation leave time, the project is credited for time taken. When an employee's appointment ends, or the employee resigns, the vacation leave pay-off is also credited to the grant.

Salary and benefit costs are generated by the State Controller's Office (SCO). The Labor Cost Distribution (LCD) system reflects actual costs for salaries and for all benefits processed by the SCO, except for the cost of sick and vacation leave accruals. The dollar accruals for sick and vacation leave, as well as any amount credited to the project for time taken, are reflected in the Financial Management System (FMS). All salary and benefit costs, including sick and vacation leave, are reflected on General Ledger (G/L) reports. When employees work on more than one sponsored project, sick and vacation costs, like salary costs, will be pro-rated based on the percentage of effort.

Sick and vacation leave accruals appear on the GL reports in the month in which the leave was accrued. Sick and vacation leave credits for time claimed on Absence Reports appear the month following the month in which the leave was taken.

Benefit costs associated with Reimbursed Release Time for faculty will be calculated based on actual costs. Costs will be pro-rated to reflect the percentage of effort of the faculty member on that particular funded program. Additional pay for faculty during intersession periods will have associated benefit costs, but the cost of health, dental and vision insurance will be charged to the faculty member's home department and not to the sponsored agreement.

#### ***ILLUSTRATION: CALCULATING COSTS***

In 2007, costs of health benefits are \$140 (\$128/health, \$12 dental) per month for waiver, \$471 for single coverage, \$886 for one dependent, \$1129 for full family coverage. The cost of dental benefits for most staff is \$40.59 for single coverage, \$70.58 for one dependent, \$149.62 for full family coverage. The cost of the vision plan is \$9.13 per month for all employees regardless of the level of coverage. For staff, the cost of life insurance is \$1.67 per month, and for faculty \$8.35 per month. LTD for faculty is \$3.81 (please also refer to the ORSP benefits matrix).

Faculty are appointed into calendar year (12 month) classifications during intersession periods in order to receive additional pay from grants and contracts. Faculty will accrue sick and vacation leave for the term of the calendar year appointment. The standard accrual rate of 4% for sick leave and 4% for vacation leave will be charged to grant and contract accounts, as well as 1/45% for Medicare and .001% for Unemployment Insurance. The cost of health, dental, vision and long term disability insurance will be charged to the faculty member's home department and not to the sponsored agreement. For faculty who have full-time academic appointments in the semester preceding the intersession appointment, no social security tax or CalPERS contributions will be charged to the project. In this case the current benefit rate is 9.451%. If the faculty member was appointed at less than full-time during the preceding semester, the rate is 32.314%.

For hourly employees, generally, the benefit cost is 9.451% (calculated as a percentage of gross salary (including sick leave 4%, vacation leave 4%, Medicare 1/45% and unemployment insurance .001%). With CalPERS eligibility, the cost is 32.614% (with the addition of 16.663% for CalPERS and 6.2% social security).

For Student Assistants, the Medicare tax is 1.45% if the student is working more than 20 hours per week.

For full-time salaried staff and postdoctoral researchers, the average benefit rate is currently 51%.

#### **RELATED DOCUMENTS**

- [Indirect Cost Negotiation Agreement](#), July 1, 2005 – June 30, 2010
- ORSP Benefit Matrix, July 1, 2007 – June 30, 2008
- [SFSU Benefits](#)