

State of California

MEMORANDUM

To: PERSONNEL MANAGEMENT LIAISONS

Date: May 2, 1991

Reference Code: 91-25

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

ALL BUDGET OFFICERS AND ACCOUNTING OFFICE STAFF

From: Department of Personnel Administration

Subject: Employee Benefits - Administrative Fee Adjustments - FY 1991-92

The Department of Personnel Administration is implementing various fee adjustments for Fiscal Year 91/92. These changes are necessary because: 1) some of the fees have not been adjusted for several years and as the cost of the Controllers' fees has increased the overhead revenue to operate these programs has declined; 2) the cost of an employee benefits communication effort must be partially offset from these fees; and 3) in some cases, our current fee structure does not cover the actual cost of providing the benefit. Please note that the fee for EAP will be collected by the TC38 transfer process and will not be reflected on the monthly SCO payroll.

PROGRAM	COLLECTION METHOD	CURRENT MONTHLY FEE	MONTHLY FEE EFF. 6/91 PAYROLL
Dental	Payroll	.25	.40
Vision	Payroll	.40	.30
Life	Payroll	.40	.45
EAP	Quarterly Transfer	.038	.10
Flex	Payroll - Semi-Annual	.50	.75
Flex	Payroll - Employee Paid	3.00	3.00(no change)
LTD	Payroll - Employee Paid	.65	.80

As you will note, a departmental administrative fee of \$.50 is being charged for the current fiscal year for the Flex Program. You should be aware, that while we have had the ability to charge this fee in the past, this is the first fiscal year that the costs associated with the Flex Program require us to actually implement the fee. SCO has advised us that the fee for the 90/91 fiscal year will be collected from the May payroll. Thereafter, it will be collected on a semi-annual basis, i.e., June and December.

If you have any questions regarding the rates changes, please contact Bob Clifford at (916) 324-0478 or ATSS 454-0478.


Patricia Pavone, Chief,
Benefits Division