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Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 24, 2025

Ms. Marcy Martin, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Martin:

SUBJECT: **FISCAL YEAR 2026 BUDGET** (BFED-1) (FN-01)

May I please request the following:

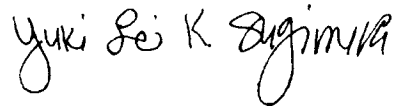
1. A copy of the Fringe Benefit rates used in preparing the proposed FY 2026 Budget.
2. A detailed breakdown of actual costs for employee fringe benefits from FY 2021 to FY 2025, to date, by category and by fund. The categories include:
 - Employees' Retirement System
 - Federal Insurance Contributions Act
 - Hawaii Employer-Union Health Benefits Trust Fund
 - Other Post-Employment Benefits
3. Explain any cost increases to each fringe benefit category and identify whether the increase is based on collective bargaining agreements, including the request for FY 2026.

May I further request you transmit your response to bfed.committee@mauicounty.us by **March 27, 2025**. To ensure efficient processing, please duplicate the coding in the subject line.

Ms. Marcy Martin
March 24, 2025
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Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, James Krueger at ext. 7761, or Pauline Martins at ext. 8039).

Sincerely,

A handwritten signature in black ink, reading "Yuki Lei K. Sugimura". The signature is written in a cursive, flowing style.

YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:2026bgt:250317afn01:kes

cc: Mayor Richard T. Bissen, Jr.
Deputy Director of Finance
Budget Director

BFED Committee

From: BFED Committee
Sent: Monday, March 24, 2025 10:12 AM
To: Marcy Martin
Cc: Maria Zielinski; Stacey.M.Vinoray@co.maui.hi.us; 'Michelle Santos'; 'Zeke Kalua'; Lesley Milner; tiare.p.horner@co.maui.hi.us; 'kristina.cabbat@co.maui.hi.us'; Janina Agapay
Subject: FISCAL YEAR 2026 BUDGET (BFED 1) (FN-1)
Attachments: 250317afn01 Correspondence to Finance 03-24-2025.pdf

RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7722
www.MauiCounty.gov

March 27, 2025

Ms. Lesley Milner
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Richard T. Bissen, Jr. 3-27-25
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic Development Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura and Members:

SUBJECT: FISCAL YEAR 2026 BUDGET (BFED-1) (FN-01)

This transmission is in response your letter dated March 24, 2025, requesting the following information:

1. A copy of the Fringe Benefit rates used in preparing the proposed FY 2026 Budget.

Response: Please see attached copy of the Fringe Benefit Rate Memo for calendar year 2025 (distributed on 12/20/2024).

2. A detailed breakdown of actual costs for employee fringe benefits from FY 2021 to FY 2025, to date, by category and by fund. The categories include:

- Employees' Retirement System
- Federal Insurance Contributions Act
- Hawaii Employer-Union Health Benefits Trust Fund
- Other Post-Employment Benefits

Response: *The table below provides a breakdown of actual costs of employee fringe benefits for FY 2021 to FY 2025, to-date, by category.*

General Fund	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 as of 3/27/2025
Social Security – FICA	\$ 9,015,539	\$8,867,149	\$9,067,930	\$10,420,304	\$7,858,841
Retirement System – ERS	\$61,830,090	\$59,564,981	\$64,348,892*	\$69,188,166	\$45,088,111
Hawaii Employer-Union Trust Fund – EUTF	\$43,695,575	\$19,916,487	\$20,367,526	\$22,855,783	\$16,549,177
Other Post-Employment Benefit - OPEB**	\$18,000,000	\$44,547,000	\$41,344,000	\$58,627,767	\$40,651,147

*Revised to include ERS Paid for THP.

**For fiscal years prior to FY 22, OPEB Annual Required Contribution was included in the EUTF totals.

3. Explain any cost increases to each fringe benefit category and identify whether the increase is based on collective bargaining agreements, including the request for FY 2026.

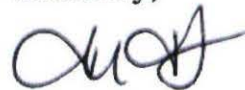
Response: *Cost increases or decreases to each fringe benefit category are primarily due to several factors such as the following but not limited to, historical and current expenditures, Actuarial Reports from the State of Hawaii, changes in the Employee Fringe Benefit rates, and adjustments relating to the changes in budgeted salaries (i.e. expansion positions, reallocation of positions, or terminal vacation pay). Below is a table showing the comparison between the current and ensuing fiscal years by category.*

Honorable Yuki Lei K. Sugimura, Chair
and Members of the BFED Committee
March 27, 2025
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Fringe Benefits	FY 2025 Adopted	FY 2026 Proposed	Change	FY 2024 FY 2025 as of 3/27/2025
Social Security – FICA	\$14,112,640	\$15,372,097	\$1,259,457	Based on historical and current activity.
Retirement System – ERS	\$71,803,963	\$78,244,365	\$6,440,402	Based on a 24% rate for general employees and 41% rate for Police and Fire; includes estimated spiking bill costs.
Hawaii Employer-Union Trust Fund – EUTF	\$23,613,636\$	\$27,500,00	\$3,886,364	Employer Portion of Health Care Premiums for current and active employees.
OPEB – Annual Required Contribution (ARC)	\$38,085,000	\$38,095,000	\$10,000	Based on Actuarial Reports from the State of Hawaii
OPEB – Supplemental Transfer above the ARC	\$2,566,147	\$8,566,147	\$6,000,000	Increase funding based on the County's financial condition and Mayor's proposal,
Terminal Pay, Salary Adjustments	\$3,000,000	\$9,000,000	\$6,000,000	Increase funding based on anticipated bargaining unit increases pending final negotiations.

Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN
Director of Finance

Attachments

RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director

MARCI SATO
Administrator



COUNTY OF MAUI
DEPARTMENT OF FINANCE
ACCOUNTS DIVISION
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7504 FAX: (808) 270-7831
www.mauicounty.gov

December 16, 2024

MEMORANDUM

TO: ALL DEPARTMENTS AND AGENCIES

**SUBJECT: *REVISED* EMPLOYEE FRINGE BENEFIT RATES-
CALENDAR YEAR 2025**

The County of Maui has reviewed and revised the employee fringe benefit rates utilizing the actual cost data and salary base for the prior fiscal year which ended on June 30, 2024 (Fiscal Year 2024). These rates are to be used from January 1, 2025 through December 31, 2025 (Calendar Year 2025).

EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police, Fire & DWS)		DWS (a)		Police & Fire (b)	
	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>
Employee's Retirement System (ERS)	24.00%	24.00%	24.00%	24.00%	41.00%	41.00%
Social Security/Medicare	7.65%	7.65%	7.65%	7.65%	1.45%	1.45%
Subtotal	31.65%	31.65%	31.65%	31.65%	42.45%	42.45%
Unemployment	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%
Workers' Compensation	0.59%	0.59%	2.08%	2.08%	0.59%	0.59%
Medical, Drug, Dental, Vision, Life*	11.82%	11.82%	11.82%	11.82%	11.82%	11.82%
Other Post-Employment Benefits (OPEB) ¹	30.32%	30.32%	30.32%	30.32%	30.32%	30.32%
Total Employer's Contribution (Use for internal reimbursement)	<u>74.42%</u>	<u>74.42%</u>	<u>75.91%</u>	<u>75.91%</u>	<u>85.22%</u>	<u>85.22%</u>

EMPLOYEE FRINGE BENEFIT RATES BASED UPON EMPLOYER'S CONTRIBUTION	Personnel (except Police, Fire & DWS)		DWS (a)		Police & Fire (b)	
	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>	<u>1/1/2025</u>	<u>7/1/2025(c)</u>
<u>LEAVE BENEFITS</u>						
Vacation	8.08%	8.08%	8.08%	8.08%	8.08%	8.08%
Sick	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%
Holiday	5.38%	5.38%	5.38%	5.38%	5.38%	5.38%
Others (Admin Leave, Union)	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Total Leave Benefits	19.56%	19.56%	19.56%	19.56%	19.56%	19.56%
Total Fringe Benefit Rate (Straight Time Rate) (Use for internal reimbursement)	<u>93.98%</u>	<u>93.98%</u>	<u>95.47%</u>	<u>95.47%</u>	<u>104.78%</u>	<u>104.78%</u>
Total Fringe Benefit Rate (Straight Time Rate) (Use for grant reimbursement)¹	<u>83.52%</u>	<u>83.52%</u>	<u>85.01%</u>	<u>85.01%</u>	<u>94.32%</u>	<u>94.32%</u>
Total Fringe Benefit Rate (Overtime Rate) (Use for internal transfer and grant reimbursement including FEMA reimbursements)	<u>32.28%</u>	<u>32.28%</u>	<u>33.77%</u>	<u>33.77%</u>	<u>43.08%</u>	<u>43.08%</u>
(a) For DWS personnel only: Workers' Compensation rate 2.08% as DWS pays their own expenses directly.						
(b) For Police & Fire personnel only: ERS rate = 41.00% + 1.45% (for Medicare) = 42.45%.						
(c) ERS rate will remain the same for July 1, 2025 until statutory changes are implemented.						
¹ In FY2024 the County prepaid \$20,228,767 above the Annual Required Contribution This excess is 10.46% of the Opeb percentage included in the OPEB fringe rate for internal COM reimbursement but is excluded from the grant reimbursement percentage.						
* Percentages changed for Medical, Drug, Dental, Vision, & Life and Other Post-Employment Benefits when compared to prior year due to budgetary and expenditure reporting changes starting in fiscal year 2021-2022.						

Should you have any questions on the above employee fringe benefit rates, please contact Accounting System Administrator, Marci M. Sato at extension no. 7503.

Respectfully Submitted,



MARCY MARTIN
Director of Financ

BFED Committee

From: Janina E. Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Thursday, March 27, 2025 3:20 PM
To: BFED Committee
Cc: Stacey M. Vinoray
Subject: (BFED-1)(FN-01)
Attachments: (BFED-1)(FN-01).pdf

Categories: Processed

Hello,

Please see attached (BFED-1)(FN-01) response.

Thank you,

Janina Agapay

County of Maui | Budget Office

Phone: (808) 270-7836

Email: Janina.E.Agapay@co.maui.hi.us