

KANSAS STATE UNIVERSITY
Manhattan, Kansas 66506

Human Resources Circular 03-01
June 20, 2003

To: President, Provost, Vice Presidents, Vice Provosts, Deans,
Directors, and Department Heads

From: Gary E. Leitnaker, Director
Division of Human Resources

Re: Fringe Benefit Rates and Tax Rates for Fiscal Year 2004

Please distribute this information to staff who are responsible for payroll accounting activities in your unit.

1) For your convenience we are listing below the **EMPLOYER** paid fringe benefit rates for Fiscal Year 2004 (effective for the payroll period June 8 through June 21, paid July 3, 2003):

	<u>RATE</u>	<u>SUBCODE</u>
State Leave Reserve Assessment	0.40%	1X76
Kansas Police & Firemen	6.55%	1X88
KPERS	4.58%	1X81
KPERS Members Life & Disability*	0.00%	1X81
Regents Mandatory Retirement	8.50%	1X83
KPERS Prior Service**	n/a	1X84
Regents Members Life & Disability*	0.00%	1X85
Workers' Compensation	0.916%	1X97
Unemployment Compensation	0.22%	1X98
Flexible Spending Account Fee	5.74%	1X99
Parking Compensation Reduction	7.65%	1X78
OASDI/HI (Social Security 6.2%/Medicare 1.45%) (CY 2003 OASDI maximum gross is \$87,000)	7.65%	1X91

* Please note that the moratorium for Members Life & Disability has been extended until June 30, 2004. The Members Life & Disability will not be collected on checks with an original check issue date between July 1, 2003 and June 30, 2004.

** HB2014 (passed in the 2003 legislature session) authorizes the issuance of Revenue Bonds to finance the 'unfunded accrued pension liability' of the Kansas Public Employees Retirement System. Because of this legislation, Regent Institutions no longer make the 'TIAA prior year service only' contribution.

Employer Group Health Insurance biweekly rates for Fiscal Year 2004 are listed below:

<u>Group Health Insurance</u>	<u>Employer Medical</u>	<u>Employer Drug</u>	<u>Employer Dental</u>	<u>Total</u>
Full-Time Single Only	\$124.12	\$31.03	\$ 9.90	\$165.05
Full-Time Dependent	\$ 57.73	\$14.43	\$ 4.22	\$ 76.38
Full-Time Family Total	\$181.85	\$45.46	\$14.12	\$241.43
Part-Time Single Only	\$ 99.33	\$24.83	\$ 7.31	\$131.47
Part-Time Dependent	\$ 45.37	\$11.34	\$ 3.69	\$ 60.40
Part-Time Family Total	\$144.70	\$36.17	\$11.00	\$191.87

Effective with the coverage month of July, 2003, Optional Group Life Insurance rates are changing. Therefore, the paycheck issued on July 18, 2003 will be the first check issued with the new rates, since Optional Group Life Insurance premiums are collected on the second bi-weekly paycheck of the month for that month's coverage.

Along with the premium rate change, there is also a change to the age calculation for purposes of Optional Group Life Insurance. Currently, age is calculated based on the employee's attained age as of the pay period. **Effective with the new premium rates, age will be calculated based on the employee's attained age as of January 1st of the current year.**

Optional Group Life Insurance rates changes as follows:

Age at the beginning of Calendar Year	Monthly Premium per \$1,000
Under 30	\$0.06
30-34	\$0.08
35-39	\$0.10
40-44	\$0.14
45-49	\$0.20
50-54	\$0.34
55-59	\$0.51
60-64	\$0.74
65-69	\$1.27
70-74	\$2.06
75 and Older	\$3.31

An administrative fee of \$.20 per month will continue to be added to the premium each month. Maximum coverage available will continue to be \$200,000.

The rates for OASDI, Medicare, and Kansas withholding taxes remain unchanged for Fiscal Year 2004. The Internal Revenue Service has released new Federal withholding tax rates. The supplemental flat withholding rate was reduced from 27% to 25% and the value for one withholding exemption increased from \$3,050.00 to \$3,100.00. Below are the new federal withholding tax tables.

FEDERAL WITHHOLDING TAX BASE TABLES (July 1, 2003 - \$3,100 Per Exemption)

SINGLE PERSON

WAGES LESS WITHHOLDING ALLOWANCE:

INCOME TAX TO BE WITHHELD:

OVER	BUT NOT OVER		OF EXCESS OVER
\$ 0.00	\$ 2,650.00	\$ 0.00	\$ 0.00
\$ 2,650.00	\$ 9,700.00	\$ 0.00 PLUS 10 %	\$ 2,650.00
\$ 9,700.00	\$ 30,800.00	\$ 705.00 PLUS 15 %	\$ 9,700.00
\$ 30,800.00	\$ 68,500.00	\$ 3,870.00 PLUS 25 %	\$ 30,800.00
\$ 68,500.00	\$148,700.00	\$13,295.00 PLUS 28 %	\$ 68,500.00
\$148,700.00	\$321,200.00	\$35,751.00 PLUS 33 %	\$148,700.00
\$321,200.00		\$92,676.00 PLUS 35 %	\$321,200.00

MARRIED PERSON

WAGES LESS WITHHOLDING ALLOWANCE:

INCOME TAX TO BE WITHHELD:

OVER	BUT NOT OVER		OF EXCESS OVER
\$ 0.00	\$ 8,000.00	\$ 0.00	\$ 0.00
\$ 8,000.00	\$ 22,300.00	\$ 0.00 PLUS 10 %	\$ 8,000.00
\$ 22,300.00	\$ 64,750.00	\$ 1,430.00 PLUS 15 %	\$ 22,300.00
\$ 64,750.00	\$118,050.00	\$ 7,797.50 PLUS 25 %	\$ 64,750.00
\$118,050.00	\$185,550.00	\$21,122.50 PLUS 28 %	\$118,050.00
\$185,550.00	\$326,100.00	\$40,022.50 PLUS 33 %	\$185,550.00
\$326,100.00		\$86,404.00 PLUS 35 %	\$326,100.00

If you have questions please call your Human Resources Payroll Processing Liaison at (785) 532-6277.