Q: What programs or activities does the central benefits pool fund?

A: Central funding for employee benefits is determined by the fund source and Higher Education Function Code (HEFC) of the account charged for the salary expense. Fund source and Higher Education Function Code combinations that are eligible for central funding are provided at our website at http://budget.ucdavis.edu/resources-for-our-clients/documents/benefits/benefits-matrix.pdf.

Q: How does the automated process for employee benefit funding from the central campus benefits pool work?

A: Funding for departmental benefit costs is a two-step process.

1. As part of the monthly payroll cycle, the benefits funding program allocates an amount equal to the monthly benefits expense to eligible accounts based on fund source and Higher Education Function Code combinations. This allocation is reflected as a credit to object consolidation codes SUB6, at the full FAU level. Under normal circumstances the monthly balance nets to zero.

2. In addition, the campus runs a program quarterly to adjust eligible SUB6 budgets that are not equal to zero. These adjustments will either increase or decrease the SUB6 budget to ensure the account balance nets to zero.

Q: If requesting funding for a new proposal (e.g., a biennial budget proposal or interlocation transfer) should I include the cost of employee benefits? Does it matter what fund source I am requesting?

A: Units should always include benefits when developing a budget, regardless of fund source. The reason is that the campus benefits budget is not automatically adjusted to account for new spending. Therefore, when new funds are received by campus, in a source that is identified in the campus’ automatic benefit funding process, an amount for benefit costs must be allocated to the central benefits pool. Typically, the Office of Resource Management and Planning allocates the correct portion to the benefits pool prior to allocating funds to campus units. However, if the unit receives one-time funds or funds through a channel other than the campus budget process, the unit may want to verify with the Office of Resource Management and Planning that the correct allocation to the central benefits pool has been made.

Questions should be directed to either the Resource Management and Planning Analyst responsible for the campus unit, or Analyst Nancy Wilson at njwilson@ucdavis.edu.

Q: What benefit rate should I use to budget for benefit expenses?

A: It is always best to use an employee’s actual benefits costs for budgeting future benefits expense. If this information is not available, e.g., for a new hire, then refer to the Benefit Planning Rate table and the Budget Planning Parameters memo from the Budget and Institutional Analysis office at http://budget.ucdavis.edu/resources-for-our-clients/bia-tools-and-documents/benefits. This table provides possible scenarios for projecting the benefits expense based on campuswide averages. Other sources for projecting benefits expense can be found at http://research.ucdavis.edu/home.cfm?id=OVC,3,1128,1248,1308.
Q: If I add a new position or increase the FTE percentage how are the benefits funded?

For core funds (see eligibility table at http://www.BIA.ucdavis.edu/documents/budget/benefits/benefits_matrix.pdf) redeployed to create new FTE (including increased appointment percentage) campus units are responsible for the entire benefit costs of new positions and increased FTE that are created by redirecting core funds. The unit should create both current and permanent budget transfers to the central benefits pool based on actual benefit costs, if available. If actual costs are not available, then the systemwide planning rate of 25% should be applied.

This policy is applicable to both Staff (Object Consolidation SUBS) and General Assistance (Object Consolidation SUBG) positions. (ref: PPM 330-24 IV.A.2.b.) In cases where the employee was eligible for full University benefits prior to an increase in appointment, the new incremental cost would be 9%.

For other funds, the unit is responsible for the full benefit costs.