

Important fringe benefit cost information for USTEs

Wisconsin Act 13, which contains the eligibility rules for participation in the Wisconsin Retirement System (WRS) for part-time faculty and University Staff Temporary Employee (formerly LTE) states an employee who begins employment on or after July 1, 2011 will be covered under WRS immediately if the employee has a two-thirds time appointment for at least one year. If the employee’s appointments do not meet these initial criteria, then the employee’s appointments will be monitored for one year. If during the monitoring period, the employee works at least 880 hours for an academic appointment or 1200 hours for a University Staff Temporary Employee appointment, the employee will be covered by WRS beginning with the first pay period after completing one year of employment. If the employee has prior WRS service before July 1, 2011, the employee needs to have a one-third time appointment for at least one year. If during the monitoring period, the employee works at least 440 hours for an academic appointment or 600 hours for a University Staff Temporary Employee appointment, the employee will be covered by WRS beginning with the first pay period after completing one year of employment.

The monitoring period will cover all the hours worked by the employee at the University. For example, if the employee has a concurrent appointment in another department, the total hours worked between the two departments will be used to determine the employee's eligibility for benefits. Or, if the employee worked in one department before working in another, the hours worked in the first department will be added to the hours worked in the second department to determine the employee’s eligibility for benefits. Any time the employer’s expectation of hours to be worked and/or duration of employment changes to an extent that the employee will now meet the WRS eligibility criteria, the employee must be enrolled in the WRS at the time the expectation changed.

Because of this, more part-time employees are eligible to participate in the retirement system and the insurance benefit program. As a result, budget managers must be aware of the impact of increased fringe benefit cost.

The fringe costs will be split proportionately among all job records based on the number of hours worked between the positions. **This may result in unexpected fringe costs for a department.** Questions or concerns should be directed to HR (hr@uwsp.edu).

The fringe benefit budget rate will change as follows when a part-time employee becomes eligible for benefits:

University Staff Temporary Employee	Not Eligible for Benefits	Eligible for Benefits
	12.00%	46.50%

Under the Affordable Care Act (ACA) regulations implemented in 2016, all Applicable Large Employers (ALEs) must offer affordable minimum essential coverage (MEC) that provides minimum value to 95% of their full-time employees (and dependents) as defined by the ACA. This is also known as the “employer mandate” or the “employer shared responsibility provision.” The definition of full time employees includes employees who are paid an average of 130 hours/month (30 hours/week); this includes paid vacation leave, sick leave, jury duty pay, etc. Status as a full-time employee under the ACA does not affect an employee’s status as a full-time or non-full-time employee for any other purpose. For additional information on the ACA and an employee’s benefits eligibility, please visit the following link: <https://www.wisconsin.edu/ohrwd/aca/faq-ee/>.

Please note:
 If the funding source for the part-time employee’s position is a 113, 133, or a 144 appropriation (state or federal grant), the fringe benefit rate listed in the second column should be used regardless of whether the employee is eligible for fringe benefits. The grant account will incur the fringe benefit charges at this rate.

 If the funding source for the part-time employee’s position is a 128 or 136 appropriation (program revenue), the fringe benefit rate listed in the second column should be used for budget purposes; however, the fringe benefit charges incurred by the account will be the actual employer cost of the benefits actually taken by the employee. The actual fringe benefit cost could be more or less than the 64% average; in some cases, these charges could total 90% or more of the budgeted salary.

ⁱ Must be tied to the specific leave for an employee with an on-going appointment that resulted in the need for the temporary employee.

ⁱⁱ Must have an established end date identified at the start of the appointment that coincides with the established closing or layoff date.