

# BENEFIT POOL ALLOCATIONS

## **General Information** *(Broad Scope–Payroll Benefits):*

The University applies Finance-GL allocations to certain salary and wage expenses as a means of reserving funds for future claims for the following purposes: vacation payout upon termination of employment; unemployment claims; workman's compensation claims; group insurance contributions, and death benefit payout. Although multiple journals will post in cost centers each month, all are posted in account 51127–P/R Related Assessments. The total calculated assessment for these purposes will not exceed 2.5% of salary and wage accounts for local cost centers in FY2021. The percentage charged for these assessments is evaluated annually.

Offsets are posted to Designated Fund cost centers that accumulate a pool of funds available for current and future claims (00730-2061-H0264-F4663-NA), and for group insurance only (00730-2061-H0437-F4660-NA).

## **Prerequisite:**

All HR journals for the month must be posted to the General Ledger prior to this allocation being run during month-end closing processes.

## **Specifics:**

- At the end of each month, any local cost center that has salary and wage activity (accounts 50100–50999) will be assessed 1% of the expenses in those accounts for UCI & WCI (0.5% each).
- A subset of eligible accounts (50121, 50153, 50180-82, 50190-92) will be assessed an additional 0.5% for terminal vacation & death benefits.
- Another subset of accounts (50102-50109, 50121, 50140, 50150-50182, 50190-50192, 50210-50213) will be assessed an additional 1% for group insurance contributions.
- The vacation/death & group insurance charges (0.5% & 1%) are also calculated for state cost centers; however, the charges are posted to a group of local institutional cost centers with corresponding NACUBO programs (A=Instruction; B=Research, etc.). The offset goes to the same pool cost centers as for local charges, as given above.
- Typically, the S&W expense and the BEN expense will both be debits. However, it is important to note that S&W credits are included in the calculation as well. For example, if a reallocation has occurred during the month, the cost center being credited, will also receive a related BEN credit.
- Manual corrections of BEN are generally not necessary as it is self-adjusting at month end.

## **Exemptions to Benefit Allocations:**

Federal College Work Study salaries and wages are exempt; however, a charge to the CWS cost center occurs and then is reversed in a subsequent allocation step.

## **Journals:**

These payroll benefit assessment allocations will generate several journals with JE# BEN00000XX during month-end processes. (Journal Source=ALO; Journal ID Mask=BEN)

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## **General Information** *(Limited Scope–GTF Research Assistant Scholarships–Effective Jan 2016):*

An additional Finance-GL allocation is applied to a single salary account (50175-RESEARCH ASST SAL-TUITION ELIG) as a means of reserving funds specifically for Graduate RA Scholarships/Tuition Assistance. This calculated assessment is 5.0% of account 50175 in Designated, Auxiliary, and Restricted Funds (Fund Groups 2-3-4-5). More information can be found on the Division of Research [website](#).

Offsets are posted to a specific Designated Fund cost center that accumulates a pool of funds available for RA Scholarships (00730-2080-H0266-H0134-NA). The Prerequisite, Specifics, and Journal information is similar to that listed above. Journal description will be "GTF RES ASST ALLOCATION".