

# FORMULAS AND CALCULATIONS FOR BENEFITS

*Rates are subject to change on July 1 of each fiscal year.*

## HEALTH & WELFARE BENEFITS

The following formulas are based on the employee's ANNUAL SALARY\*

- **SHORT TERM DISABILITY:**

To calculate monthly STD premiums, divide the Annual Salary by 52 weeks, multiply it by the weekly benefit amount of 66.666%, divide it by \$10 then multiply it by the current rate of \$0.40.

$\text{Annual Salary} \div 52 \text{ weeks} \times 0.6667 \div \$10 \times \$0.40 = \text{monthly premium}$

Example:  $\$15,000 \div 52 \times 0.6667 \div \$10 \times \$0.40 = \$7.69 \text{ per month}$

- **LONG TERM DISABILITY:**

To calculate monthly LTD premiums, divide the Annual Salary by \$100, multiply it by the current rate of \$0.44, then divide it by 12 months.

$\text{Annual Salary} \div \$100 \times \$0.44 \div 12 = \text{monthly premium}$

Example:  $\$15,000 \div \$100 \times \$0.44 \div 12 = \$5.50 \text{ per month}$

- **LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT:**

To calculate the monthly Life AD&D premiums, find the Coverage Amount for the employee by multiplying the Annual Salary by the elected Benefit Option of 1x, 1.5x or 2x the Annual Salary, then rounding up to the next \$1000. Next, divide the Coverage Amount by \$1000, and multiply it by the current rate of \$0.22. Please refer to the policy regarding age reductions that begin at age 70.

$\text{Annual Salary} \times \text{Benefit Option (1, 1.5, or 2)} = \text{round up for Coverage Amount}$

$\text{Coverage Amount} \div \$1000 \times \$0.22 = \text{monthly premium}$

Example:  $\$15,000 \times 1.5 = \$22,500$ . Round up to \$23,000

$\$23,000 \div \$1000 \times \$0.22 = \$5.06 \text{ per month}$

*\*Annual Salary must be updated any time there is a change to employee's projected annual earnings (for example when there is change in rate of pay and/or scheduled hours. The ANNUAL SALARY is located in the Custom Fields of each employee's Paycor record.*

- **OPTIONAL LIFE INSURANCE:**

The Optional Life plan is based on the employee's age. Please see the current [Optional Life Rate Sheet](#) located on our website for Coverage Rates and the monthly cost per elected benefit. If an employee also has dependent life coverage, the monthly cost is \$2.75, regardless of the number of children.

Participation in the Optional Life program may require approval from UNUM therefore, payroll deductions for this benefit should begin if included on employee's Benefit Confirmation statement or if approval required, when employee receives Unum's letter of approval.

- **IMPUTED INCOME FOR LIFE INSURANCE OVER \$50,000**

IRC Section 79 requires that the imputed cost of life insurance coverage whose value is in excess of \$50,000 must be included as income, using the IRS Premium Table found in Publication 15-B, and are subject to social security and Medicare taxes.

*Imputed Income reports are available in Bookkeeper Self-Serve, should be run quarterly, and the amounts must be entered in your payroll for end of the year reporting.*

## **WAGE BASED BENEFITS**

Lay Employees' Retirement and Unemployment contributions are based on REPORTED WAGES therefore the following formulas are based on employee's actual earnings as reported to MCC. These benefit plans are invoiced two (2) months in arrears due to timing of wage reports to MCC.

- **LAY EMPLOYEES' RETIREMENT PLAN (LERP)**

To calculate the monthly premium charge for the employer's contribution to an employee's LERP, multiply the employee's monthly REPORTED WAGES by the current Employer Contribution rate of 8.6%.

$\text{REPORTED WAGES} \times 0.086 = \text{LERP contribution for that month}$

Example:  $\$1,250 \times 0.086 = \$107.50$  for that month

- **UNEMPLOYMENT INSURANCE (UI)**

To calculate the monthly UI charge for each employee, multiply the employee's monthly REPORTED WAGES by the Diocesan appointed percentage rate. Monthly unemployment charges will continue until the annual Diocesan Cap of Wages is met.