



City of St. Louis Employee Compensation Costs

The compensation cost for any City employee consists not only of salary and wages paid to the employee on a bi-weekly or hourly basis but also includes the cost of a variety of City provided benefits that are part of the total employment compensation package. These benefits include vacation, holidays, health insurance, sick leave, pension, workers' compensation, etc. The average pay rates and benefits will vary with category of employee. The following illustrations itemize the average salary and cost of benefits for three major employee groups: 1) Regular, civil service (non-uniformed) employees, 2) Uniformed firefighters and 3) Uniformed police officers. Average salaries for each group are taken from the most recent actuarial reports of the respective pension systems to which each group belongs. Fringe benefit costs are based on actual costs from the most recently completed fiscal year and are expressed both as a percent of average pay as well as the equivalent average dollar amount. The exhibits provide detailed calculations of costs and serve as a good illustration of the overall cost of employee compensation.



FY2019-20 Average Cost of a City Employee (excl. Police & Fire)

	Fringe Benefits	
	<u>As % Of Pay</u>	<u>Annual Cost</u>
Average Salary ¹	--	\$44,454
Vacation ²	7.50%	3,334
Holidays ³	3.85%	1,710
FICA ⁴	7.65%	3,401
Health Insurance ⁵	17.19%	7,640
Life Insurance ⁶	0.39%	173
Pension - Contribution ⁷	12.26%	5,450
Pension - Debt ⁷	2.00%	889
Workers' Compensation ⁸	5.27%	2,344
Long Term Disability ⁹	0.19%	85
Unemployment Comp. ¹⁰	0.16%	72
Sick / Medical Leave ¹¹	3.30%	1,469
	<u>59.76%</u>	<u>\$71,021</u>

Notes:

¹ Average Salary

Average Salary for a City Employee is \$44,454 (as proxy using ERS actuarial valuation
 Total Hours as follows: 10/1/19 p. 29)
 80 hrs. per pay period x 26 pays = 2,080

² Vacation Benefits

The average length of service for active City employees is 11.7 years. (Avg. service of active and DROP participants per ERS actuarial report 10/1/19, p. 29). Vacation accrual at this level of service totals 6 hours per pay period or 156 hours per year. With the average number of available work hours at 2,080, vacation as a % of pay can be calculated as follows:

(Illustration: 156.00 hrs. / 2,080.0 avail. hrs. = 7.50%)



FY2019-20 Average Cost of a City Employee (excl. Police & Fire)

³ Holidays

Regular City employees receive 10 paid holidays per year. This equates to a total of 80 hours for the year with the percentage of pay as illustrated below:

(Illustration:

10 Holidays: 80.00 hrs. / 2,080.0 avail. hrs. = 3.85%)

⁴ FICA

Total rate of 7.65% includes income and Medicare portions at 6.2% and 1.45% respectively. (note: 2019 wage ceiling @ \$132,900 per Social Security Administration)

⁵ Health Insurance

The FY20 cost per employee of health insurance coverage is \$7,640, (per City of St. Louis budget). The cost of health insurance coverage as a percent of salary for regular City employees can therefore be illustrated as follows:

(Illustration: \$7,640 / \$44,454 avg. salary = 17.19%)

⁶ Life Insurance

Annual life insurance coverage per Dept. of Personnel in FY20 is \$3.90 per \$1,000 compensation.

⁷ Pension

City contribution to City Employee Retirement System in FY20 is 12.26% of payroll. (ERS valuation 10/1/18* p. 1) The \$3.9M cost of amortizing ERS related debt payments is an additional 2.0% of payroll. Total pension costs are 14.26%.

(* Note the contribution amount for each fiscal year is determined by the actuarial report for the pension plan year beginning the previous October. So FY20 amount was determined by the report for plan year beginning 10/1/18.)

⁸ Workers' Compensation

Based on actual City worker's compensation charges for disability, medical and settlement and other workers comp costs paid in FY19 per 6/30/19 general ledger reports.

Workers' compensation represents 5.27% of salaries (regular, per perf. & overtime)

⁹ Long Term Disability

Annual long term disability premium per Dept. of Personnel in FY20 is \$1.40 per \$1,000 compensation. (note: benefit limited to 50% of salary with annual salary maximum of \$48,000)



FY2019-20 Average Cost of a City Employee (excl. Police & Fire)

¹⁰ Unemployment Compensation

Based on actual unemployment expenditures in FY19, unemployment compensation represents 0.16% of salaries. (regular and per performance)

¹¹ Sick / Medical Leave

a) Average utilization of sick hours per employee in most recent completed fiscal year (FY19) was 64.8 hours. - per ITSA reports.

(Illustration: 64.84 hrs. / 2,080.0 avail. hrs. = 3.12%)

b) Sick hours accrued prior to September 10, 2010, can be converted to a benefit upon retirement. 50% of the accrued hours can be applied directly to the pension benefit and therefore is included in pension costs. The other 50%, paid in a lump sum at retirement is separate and in addition to the pension cost. Per the Dept. of Personnel, payments from the General Fund of the 50% sick leave lump sum totaled \$585,175 in FY18. The cost of this benefit as a % of payroll (excl. Police / Fire uniform) can be illustrated as follows:

(Illustration: \$202,475 / \$107,915,929 = 0.19%)

Total Sick Hour Cost As % of Payroll (a + b) = 3.30%

¹² Other Benefits

Certain other benefits not listed above are paid to select employee groups. These include benefits such as commuter allowance (\$141 biweekly payments for employees residing in the City who are regularly assigned to work outside City limits) and various incentive plans tied to completion of specific professional education coursework. Shift differential for evening and night shift work is paid at an additional 10% of pay (e.g. 1% of regular pay for each of 10 shifts per pay period). Per FLSA requirements, overtime compensation for most employees is paid at 1.5x the regular pay rate for time worked in excess of the usual work week (e.g. 40 hours). However, the City provides further that paid vacation and compensatory time shall count as hours worked for purposes of determining eligibility for overtime compensation.



FY2019-20 Average Cost of a City Firefighter

	Fringe Benefits	
	As % Of Pay	Annual Cost
Average Salary ¹	--	\$67,203
Vacation ²	6.73%	4,523
Holidays ³	4.14%	2,784
FICA ⁴	1.45%	974
Health Insurance ⁵	11.37%	7,640
Life Insurance ⁶	0.39%	262
Pension - Contribution ⁷	20.05%	13,472
Pension - Debt ⁷	10.73%	7,213
Workers' Compensation ⁸	5.27%	3,543
Long Term Disability ⁹	0.19%	128
Unemployment Comp. ¹⁰	0.16%	109
Sick / Medical Leave ¹¹	2.40%	1,611
Wellness Incentive ¹²	0.74%	500
	63.63%	\$109,963

Notes:

¹ **Average Salary**

Average Salary for a uniformed firefighter is \$67,203 (per FRP valuation 10/1/19 p. 32)

Total Hours as follows:

$$52 \text{ Hours per Week} \times 52 \text{ Weeks} = 2,704$$

² **Vacation Benefits**

The average length of service for active City firefighters is 18.2 years. (Avg. service of active and DROP participants per FRP actuarial report 10/1/19, p. 32). Vacation accrual at this level of service totals 7 hours per pay period or 182 hours per year. With the average number of available work hours at 2,704, vacation as a % of pay can be calculated as follows:

$$\text{(Illustration: } 182.00 \text{ hrs. / } 2,704.0 \text{ avail. hrs.} = 6.73\% \text{)}$$

³ **Holidays**

Uniformed firefighters receive 112 hours of leave with pay in lieu of all holidays occurring in a calendar year.

$$\text{(Illustration: } 112.00 \text{ hrs. / } 2,704.0 \text{ avail. hrs.} = 4.14\% \text{)}$$

⁴ **FICA**

Total rate of 1.45% includes only the Medicare portion of FICA for which uniformed firefighters are eligible.



FY2019-20 Average Cost of a City Firefighter

⁵ Health Insurance

The FY20 cost per employee of health insurance coverage is \$7,640 (per City of St. Louis budget). The cost of health insurance coverage as a percent of salary for uniformed firefighters can therefore be illustrated as follows:

(Illustration: \$7,640 / \$67,203 avg. salary = 11.37%)

⁶ Life Insurance

Annual life insurance coverage per Dept. of Personnel in FY20 is \$3.90 per \$1,000 compensation.

⁷ Pension

City contribution to Fire Pension Systems in FY20 is 20.1% of payroll. (20.05% to FRP per valuation as of 10/1/18* p. 2 and 0% to FRS per FRS valuation as of 10/1/18* p. A-1 using FRP salary base). The \$4.8M cost of amortizing FRS related debt payments is an additional 10.7% of payroll. Total Fire pension costs are equal to 30.8% of payroll.

(* Note the contribution amount for each fiscal year is determined by the actuarial report for the pension plan year beginning the previous October. So FY20 amount was determined by the report for plan year beginning 10/1/18.)

⁸ Workers' Compensation

Based on actual City worker's compensation charges for disability, medical and settlement and other workers comp costs paid in FY19 per 6/30/19 general ledger reports.

Workers' compensation represents 5.27% of salaries (regular, per perf. & overtime)

⁹ Long Term Disability

Annual long term disability premium per Dept. of Personnel in FY20 is \$1.40 per \$1,000 compensation (note: benefit limited to 50% of salary with annual salary maximum of \$48,000)

¹⁰ Unemployment Compensation

Based on actual unemployment expenditures in FY19, unemployment compensation represents 0.16% of salaries. (regular and per performance)

¹¹ Sick / Medical Leave

Average sick hours per employee in FY19 was 64.5 hours. - per ITSA reports.

(Note: Sick Leave utilized as benefit upon retirement is wholly contained in pension cost.)

(Illustration: 64.84 hrs. / 2,704.0 avail. hrs. = 2.40%)



FY2019-20 Average Cost of a City Firefighter

¹⁵ Wellness Incentive

A payment of \$500 is paid to employees who take a wellness incentive physical.

(Illustration: \$500 / \$67,203 avg. salary = 0.74%)

¹³ Other Benefits

Certain other benefits not listed above are paid to select employee groups. These include benefits such as commuter allowance (\$141 biweekly payments for employees residing in the City who are regularly assigned to work outside City limits) and education incentive pay tied to level of completion of college coursework, (e.g. **\$750** for associates degree, **\$1,500** for bachelor's degree.) Firefighters also receive **\$650** annually for keeping an EMT license and **\$1,300** for a Paramedic license. Per FLSA requirements, overtime compensation for eligible firefighter ranks is paid at 1.5x the regular pay rate for time worked in excess of the usual work cycle (e.g. 144 hours in a 19 day cycle). However, the City provides further that paid time off (e.g. vacation, holidays, etc..) shall count as hours worked for purposes of determining eligibility for overtime compensation.



FY2019-20 Average Cost of a City Police Officer

	Fringe Benefits	
	<u>As % Of Pay</u>	<u>Annual Cost</u>
Average Salary ¹	--	\$63,864
Vacation ²	7.69%	4,913
Holidays ³	5.77%	3,684
FICA ⁴	1.45%	926
Health Insurance ⁵	9.88%	6,308
Dental Insurance ⁶	0.53%	339
Life Insurance ⁷	0.23%	148
Pension - Contribution ⁸	44.38%	28,343
Pension - Debt ⁸	3.03%	1,933
Retiree Health Insurance ⁹	12.45%	7,952
Workers' Compensation ¹⁰	5.27%	3,367
Long Term Disability ¹¹	0.21%	132
Unemployment Comp. ¹²	0.16%	104
Sick Leave ¹³	2.55%	1,627
Sick Leave Buyout ¹⁴	0.82%	521
Tuition Reimbursement ¹⁵	0.14%	90
Wellness Incentive ¹⁶	1.57%	1,000
	<u>96.12%</u>	<u>\$125,251</u>

Notes:

¹ Average Salary

Average Salary for a uniformed Police Officer is \$63,864. (per PRS valuation 10/1/19 p. 29 based on average salaries for active and DROP participants)

Total Hours as follows:

40 Hours per Week x 52 Weeks = 2,080

² Vacation Benefits

The average length of service for active Police officers is 12.3 years. (Avg. service of active and DROP participants per PRS actuarial report 10/1/19, p. 29). Vacation accrual at this level of service totals 160 hours (4 weeks) per year. With the average number of available work hours at 2,080, vacation as a % of pay can be calculated as follows:

(Illustration: 160.00 hrs. / 2,080.0 avail. hrs. = 7.69%)



FY2019-20 Average Cost of a City Police Officer

³ Holidays (Designated & Personal)

Uniformed police employees receive 10 paid regularly scheduled holidays per year plus 5 personal holidays for a total of 120 hours (15 x 8) per year with the percentage of pay as illustrated below:

(Illustration: 120.00 hrs. / 2,080.0 avail. hrs. = 5.77%)

⁴ FICA

Total rate of 1.45% includes only the Medicare portion of FICA for which uniformed police officers are eligible.

⁵ Health Insurance

With the current active health insurance premium @ \$6,308, the cost of health insurance coverage as a percent of salary for uniformed officers can therefore be illustrated as follows:

(Illustration: \$6,308 / \$63,864 avg. salary = 9.88%)

⁶ Dental Insurance

The current active health insurance premium, \$339 per year. the cost of dental insurance coverage as a percent of salary for uniformed officers can therefore be illustrated as follows:

(Illustration: \$339 / \$63,864 avg. salary = 0.53%)

⁷ Life Insurance

Annual life insurance coverage per Police Dept.in FY20 is \$2.21 per \$1,000 of (1x salary plus \$3k)

(Illustration: \$2.21 x \$66,864 / \$1,000 = \$147.77)

⁸ Pension

City contribution to Police Pension Systems in FY20 is 44.4% of payroll. (PRS valuation 10/1/18* p. 17: Contribution requirement / Expected Salaries of Active Participants = %)

The \$2.5M cost of amortizing PRS related debt payments is an additional 3.0% of payroll. This brings total pension costs to: 47.41% of payroll.

(*Note the contribution amount for each fiscal year is determined by the actuarial report for the pension plan year beginning the previous October. So FY20 amount was determined by the report for plan year beginning 10/1/18.)

⁹ Retiree Health Insurance

Retiree health insurance FY2020 budget amount divided by approved 5101 & 5102 budgets:

(Illustration: \$13,713,497 / \$110,134,016 = 12.45%)

Note: Retiree health insurance is funded on a "pay as you go" basis and thus unlike pension



FY2019-20 Average Cost of a City Police Officer

funds there are no funds set aside for accrued future health insurance liabilities (i.e. current estimated liabilities @ \$550.2M per FY19 CAFR p. 115). While the above percentage represents the current budgetary cost of retiree health insurance, the actual cost, which would include the amortization of this unfunded future liability is significantly higher. The retiree health insurance benefit applies only to those officers hired before September 1, 2013.

¹⁰ Workers' Compensation

Based on actual City worker's compensation charges for disability, medical and settlement and other workers comp costs paid in FY19 per 6/30/19 general ledger reports.

Workers' compensation represents 5.27% of salaries. (regular, per performance and overtime)

¹¹ Long Term Disability

Annual long term disability premium per Police Dept. in FY20 is \$0.95 per \$1,000 compensation. (note: benefit limited to 40% of salary)

¹² Unemployment Compensation

Based on actual unemployment expenditures in FY19, unemployment compensation represents 0.16% of salaries. (regular and per performance)

¹³ Sick Leave

Per SLPD, actual number of sick leave hours utilized in FY19 totaled 67,259. With the average number of filled uniform positions for the fiscal year at 1,261, sick leave utilization averaged 53 hours per uniformed officer.

(Illustration: 53.00 hrs. / 2,080.0 avail. hrs. = 2.55%)

¹⁴ Sick Leave Buyout

Officers hired prior to April, 20, 2011 who terminate employment receive compensation for sick leave hours as follows: With 30 years and 2,200 SL hours - to be paid 1/2 of accumulated SL hours; with at least 20 years and 1,600 SL hours - to be paid 1/4 of SL hours and 1 month pay; all others hired prior to April 20, 2011 - to be paid 1/4 of SL hours.

In FY19, SLPD spent \$719,367 on sick leave buyout payments for commissioned officers.

This translates to 0.82% of budgeted uniformed salaries.

¹⁶ Tuition Reimbursement

Tuition Reimbursement is available for studies toward an undergraduate bachelor's degree of up to \$4,200 per year. In FY19, the SLPD issued reimbursements totaling \$124,405

This translates to 0.14% of budgeted uniformed salaries.

¹⁶ Wellness Incentive

A payment of \$500 is paid to employees who take a wellness incentive test with an additional



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payment of \$500 paid to those who pass the test. If participation is limited due to a disability, then employee is given opportunity to participate in an alternative test and will be entitled to same incentive payments.

(Illustration: \$1,000 / \$63,864 avg. salary = 1.57%)

¹⁷ **Other Benefits**

Certain other benefits not listed above are paid to select employee groups. This includes education incentive pay tied to the level of completion of college coursework, (e.g. **\$750** for associates degree, **\$1,500** for bachelor's degree, **\$2,000** for a masters degree and **\$2,500** for doctorate.) as well as field training officer (FTO) pay at a rate of 3% of biweekly pay. Per FLSA requirements, overtime compensation for eligible police officers is paid at 1.5x the regular pay rate. While only hours actually worked count toward the overtime calculation, (e.g. holidays and other paid time off do not count), the City **exceeds** FLSA requirements in that overtime is paid for all hours worked in excess of each 8 hour day as opposed to only those in excess of the 40 hour work week. Per a court settlement, overtime for Police Sergeants is paid for worked hours exceeding 171 in a 28 day period. A shift differential of 10% is paid for all full hours worked between 11 p.m. and 7 a.m.