

From: Office of the University Controller [<mailto:officeoftheuniversitycontroller@finance.rutgers.edu>]
Sent: Friday, September 08, 2017 11:47 AM

Subject: FY18 Preliminary Fringe Rate

The University has received the preliminary *State of New Jersey's* FY18 fringe benefit rates which are the basis for most of *Rutgers'* FY18 fringe benefit rates. The State's proposed FY18 fringe rate for regular salaried employees is decreasing from 44.35% for FY17 to 42.68% for FY18.

Below are the FY18 preliminary composite fringe benefit rates for Rutgers by employee type - after adjusting the State's rate for components provided directly by the University. This information is important for your FY18 planning purposes (e.g., for budgets, projections, and contract proposals). These rates are not official and cannot be applied to current salaries or grant or contract proposals until we receive the final federal DHHS-CAS approval.

Employee Type Description	Projected Rates
Regular Salary - Faculty & Staff	42.68%
Post-Doc Associates (Legacy Rutgers Only)	40.73%
Graduate/Teaching Assistants (Legacy Rutgers Only)	28.27%
House Staff (RBHS Only)	28.56%

The above rates do not include FICA/Medicare costs. To determine the total fringe benefit cost for the above employee types, a factor of 7.65% for FICA/Medicare should be added for planning purposes.

Employee Type Description	Fringe Rate	FICA & Medicare	Total Rate
Regular Salary – Faculty & Staff	42.68%	7.65%	50.33%
Post-Doc Associates (Legacy Rutgers Only)	40.73%	7.65%	48.38%
Graduate/Teaching Assistants (Legacy Rutgers Only)	28.27%	7.65%	35.92%
House Staff (RBHS Only)	28.56%	7.65%	36.21%

Importantly, some employees, most typically part-time workers, do not receive health care and pension benefits and the above rates do not apply. Accordingly, for these types of employees (such as coadjutants, wages of labor, summer research and other compensation – stipends and extra pay) the total fringe benefit cost should be 7.65% for FICA/Medicare only.

We appreciate that there has been significant volatility in the fringe benefit rate over the past five years. We are dependent on the State of New Jersey for this information and the management of these benefit programs. The State's rate is a function of projected costs encompassing all State employees and their dependents.

Once approved by DHHS-CAS, the final FY18 Rutgers fringe rates will become effective *retroactive to July 1, 2017*. We will inform you of the final rate upon receipt of approval by the DHHS-CAS. In the interim,

please use these rates for planning purposes and do not record any accruals, so that if there are any changes, the new rate will be recorded correctly and consistently.

Although all FY18 University budgets were calculated based on an estimated fringe benefit rate of 44.35%, these budgets will not be changed at this time. For business managers, please note that when year-end forecasts are developed, the new fringe benefit rates will be used.

Questions concerning the application of these rates should be directed to your grant specialist in ORSP for pre-award matters, GCA for post-award matters at gca@ored.rutgers.edu, or the University Controller Cost Analysis Division at costgrp@finance.rutgers.edu.

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