MEMORANDUM

TO: Deans, Directors, and Department Chairs

FROM: Robin Cyr
Associate Vice Chancellor, Director, Office of Sponsored Research

DATE: 07/20/2012

SUBJECT: Fiscal Year 2013 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting

This announcement provides FY2013 fringe benefits budgeting guidelines for sponsored agreements.

To calculate the specific benefits budget for each employee included in a proposal, refer to the attached schedules and apply the appropriate variable rates to the employee's budgeted salary, and combine that amount with the employee's fixed health insurance amount.

To use average rates to budget benefits across several employees included in a proposal, apply the average rate for each schedule category below to the applicable budgeted salaries and add fixed health insurance for each employee.

Schedule I lists basic fixed health insurance and fringe benefits rates applicable to permanent employees, post doctoral appointees and graduate students. To budget basic fringe benefits for permanent employees, apply the NEW AVERAGE RATE of 22.04% plus the fixed health insurance component ($5,191.92). To budget basic fringe benefits for post doctoral appointees and graduate students, apply an average rate of 8.78% (includes Communications Technology fee to be paid from Sponsored Agreement payroll sources effective 01/01/2013) plus the related fixed health insurance component ($3,522.84 post doctoral appointee; $2,693.64 Graduate student).

Schedule II lists supplemental fixed health insurance and fringe benefits rates applicable to Physicians & Associates (P & A) Practice Plan members only. To budget for supplemental benefits, apply the average rate of 5.20% plus the fixed supplemental health insurance component (2,056.20).

Note that proposal budgets for P & A Practice Plan members should include the sum of the average rates and fixed health insurance amounts from Schedule I & Schedule II (27.24% [22.04% + 5.20%]) plus 7,248.12 ($5,191.92 + $2,056.20) for basic and supplemental health insurance.

Schedules I and II are available on the web at http://research.unc.edu/r/CCM3_037417
Rates are available on the OSR website at http://research.unc.edu/offices/sponsored-research/resources/DATA_RES_OSR_INFOSHEET#fringe2

Please direct questions about which rate to apply to the sponsor-specific OSR pre-award specialist (http://research.unc.edu/offices/sponsored-research/about/staff/DATA_RES_OSR_AOPROPMGMT).

Please contact Trent Riley at 962-6632 (trent_riley@unc.edu) or Blair Lasky at 843-7281 (blasky@email.unc.edu) for general questions about these rates.
**Schedule I**

**FY 2013 Basic Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting**

(General Guideline: Average rate of 22.04% of annual salary plus health insurance for appropriate employee category)

### FIXED HEALTH INSURANCE AMOUNTS

**Health Insurance for EPA/SPA Permanent**
- (effective 07/01/2012-06/30/2013)
- HMO Health Plans (Object Code 1833) **$5,191.92**

**Other-Health Insurance**
- **(effective 07/01/2012)**
  - Postdoctoral Research Associates (Object Code 1831) **$3,522.84**
  - Postdoctoral Trainees (Object Code 4518) **$3,522.84**
  - (effective 08/15/2012)
  - Graduate Student Health Insurance (Object Codes 1836/6596) **$2,693.64**

### VARIABLE RATES (PERCENTAGE)

**Social Security (Object Code 1812)**
- For the Old Age, Survivors and Disability Insurance portion (OASDI)
  - Calendar Year 2013 Taxable salary base (maximum) **$113,700.00**
  - Contribution rate **6.2000%**
  - Calendar Year 2013 maximum contribution **$7,049.40**

**Social Security Medicare (Object Code 1813)**
- Calendar Year 2013 (no change from Calendar Year 2012):
  - Taxable salary base (maximum) **no limit**
  - Contribution rate **1.4500%**

**State Retirement (Object Code 1822)**
- Salary base: Gross wages paid by UNC-CH
  - Compensation subject to retirement (maximum) (effective 01/01/2013)
    - Employed prior to 01/01/1996 **$380,000.00**
    - Employed on or after 01/01/1996 **$255,000.00**
    - Employer Contribution paid to pension fund (effective 07/01/2012)
      - Retiree Health, Disability, and Death Benefits (effective 07/01/2012) **5.9000%**
    - Overall Contribution rate: **14.2300%**

**Optional Retirement Programs**
- TIAA (Object Code 1872)
- Lincoln National (Object Code 1874)
- VALIC (Object Code 1875)
- Fidelity (Object Code 1876)
  - Salary base: Gross wages paid by UNC-CH
  - Compensation subject to retirement (maximum) (effective 01/01/2013)
    - Employed prior to 01/01/1996 **$380,000.00**
    - Employed on or after 01/01/1996 **$255,000.00**
    - Employer Contribution paid to ORP (effective 07/01/2012)
      - Retiree Health and Disability Benefits (Object Code 1873, effective 07/01/2012) **5.7400%**
    - Overall Contribution rate: **12.5800%**

**Severance Pay (Object Code 1251)**
- Salary base: SPA Salaries paid from Non-State Fund (Only object codes 121x)
  - Contribution rate (effective 07/01/2012) **0.7500%**

**Composite Benefit Fund (Object Code 1892)**
- Covers unemployment, workers compensation, short-term disability pay, and health insurance while on professional leave.
  - Salary base: EPA and SPA salaries paid from Non-State Funds (Object codes 11xx, 12xx, 13xx, and 14xx)
  - Contribution rate (effective 07/01/2012) **0.3500%**

**On-Campus Transit Fee (Object Code 3914)**
- Salary Base: All Salaries paid from all funds (Object Codes 11xx, 12xx, 13xx, 14xx)
  - Rate (effective 07/01/2012) **0.2410%**

**Communication Technologies Core Fee (Object Code 3225)**
- Salary Base: All Salaries paid from all funds (Object Codes 11xx, 12xx, 13xx, 14xx)
  - Rate (effective 01/01/2013) **0.5400%**

* Assessment of this rate from Sponsored Agreement payroll sources will begin January 1, 2013 (funding on Sponsored Agreements for July 1, 2012 - December 31, 2012 will be paid from other sponsored sources). Budgeting of this fee on Sponsored Agreement proposals for awards anticipated on or after January 1, 2013 should begin immediately.

Note: Due to state, federal and provider adjustments, rates and premiums may change throughout the fiscal year.
Schedule II

FY 2013 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting
All Rates apply to Annual Salary
(General Guideline: Average rate of 5.20% of Annual Salary plus $2,056.20 of Supplemental Health Benefits)

**FIXED HEALTH INSURANCE AMOUNTS**

**Supplemental Medical Insurance** (Object Code 1808)
annual Amount (effective 07/01/2012) $1,462.32

**Dental Insurance** (Object Code 1808)
Annual Amount (effective 01/01/2013) $498.60

**Vision** (Object Code 1804) (Object Code 1806)
(effective 01/01/2013)
Annual Amount $95.28

*Total Fixed Amounts for Supplemental Health Benefits $2,056.20

**VARIABLE RATES (PERCENTAGE)**

**Retirement** (Object Code 1804)
(effective 01/01/2013)
Annual Rate 3.5000%

Maximum compensation subject to retirement
Hired prior to 7/1/96 no limit $250,000.00
Hired on or after 7/1/96 $25,000.00 (effective 01/01/2013)

**Group Term Life Insurance** (Object Code 1801)
(effective 01/01/2013)
Annual Rate 0.6720%

Coverage Amount = four times annual salary
Minimum coverage amount $100,000.00
Maximum coverage amount $1,000,000.00

**Accidental Death and Dismemberment** (Object code 1801)
(effective 01/01/2013)
Annual Rate 0.1152%

Coverage Amount = four times annual salary (rounded to next higher multiple of $1,000)
Minimum coverage amount $100,000.00
Maximum coverage amount $1,000,000.00

**Long Term Disability** (Object Code 1805)
(effective 01/01/2013)
Annual Rate 0.9000%

(up to maximum monthly salary of $25,000)

LTD Benefit (60% of annual salary)
Maximum Benefit (per month) $15,000.00

**Note:** Due to state, federal and provider adjustments, rates and premiums may change throughout the fiscal year.