



Section 300: Proposal Development and Submission

OSR Policy 300.7 – Pro.3 — Estimating Fringe Benefits

Corresponding with:

[OSR Policy 300.7](#) [Direct Costs: Personnel](#)

Procedure Statement

[Fringe benefits](#) define expenses directly related to employment. They are determined by the employee's classification and applied as a percentage to an employee's proposed annual salary.

These rates serve as the baseline figures used to calculate fringe benefits. Social Security rates may vary for post docs and graduate students depending upon UNC policy and the type of award.

Forms/Instructions



[Research Administration Glossary at Carolina](#)

I. Estimating Fringe Benefits — EPA and SPA employees (fulltime, permanent), Post docs, qualifying Graduate and Undergraduate students, and Part-time employees:

1. First, determine the [percentage rate for the applicable employee classification](#).
2. Multiply the proposed salary times the appropriate percentage rate to calculate the amount of fringe dollars.

For example: A fulltime employee with an assigned percentage of 19% with a proposed salary of \$21,000.

$$.19 \times \$21,000.00 = \$3,990$$

The result (here, \$3,990) is the fringe benefit amount that will be shown in the proposed budget.

II. Estimating Fringe Benefits--Clinical faculty and licensed physicians eligible for the Physicians & Associates Supplement.

The School of Medicine (SOM) provides [guidelines](#) for applying the appropriate supplemental benefits.

1. For each qualifying individual, add 5.5% to the appropriate fringe (19%) based on percentage of effort.



$$5.5\% + 19\% = 24.5\%$$

For example: A full time MD making \$115,000 per year with 20% effort.

$$.20 \times \$115,000 = \$23,000 \text{ proposed salary}$$

$$\$23,000 \times 24.5 = \$5,635 \text{ proposed fringe benefit}$$

Revision History

Prior Revisions: The policies in the *Office of Sponsored Research Policies & Procedures Manual* supersede any OSR policies, procedures and appendices previously included in the *University Business Manual*, a publication of UNC Chapel Hill's [Division of Finance](#).

