MEMORANDUM

TO: Deans, Directors, and Department Chairs
FROM: Brian Bertlshofer, Director, Cost Analysis, Office of Sponsored Research
DATE: 12/20/2013
SUBJECT: Updated Fiscal Year 2014 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting

Effective January 1, 2014, the FY2014 fringe benefits budgeting guidelines for sponsored agreements will be updated to reflect the calendar year changes to the following categories:

- Social Security (OASDI) Taxable salary base & contribution maximum
- Compensation maximums subject to State Retirement and Optional Retirement programs
- P & A Supplemental Health benefits
- P & A Supplemental Retirement compensation maximum
- P & A Supplemental Group Term Life insurance annual rate
- P & A Supplemental Long Term Disability insurance annual rate

See schedules I & II for details regarding the above mentioned updates.

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 AVERAGE RATE of 22.40% plus the fixed health insurance component ($5,285.00).

To budget basic fringe benefits for post doctoral appointees and graduate students, apply an average rate of 8.90% (includes Communications Technology fee to be paid from Sponsored Agreement payroll sources effective 01/01/2013) plus the related fixed health insurance component ($3,636.00 Post Doctoral appointee; $2,822.88 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 5.09% plus the fixed supplemental health insurance component ($2,090.16).

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 (27.48% [22.40% + 5.09%]) plus $7,375.16 ($5,285.00 + $2,090.16) for basic and supplemental health insurance.

Schedules I and II are available on the web at https://research.unc.edu/files/2013/08/fringe_14.pdf
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_AORPROPIMGMT).

Please contact Trent Riley at (919) 843-4825 (trent_riley@unc.edu) or Brian Bertlshofer at (919) 843-4891 (bertsbl@email.unc.edu) for general questions about these rates.
Schedule I
Updated FY 2014 Basic Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting
All rates apply to Annual Salary

(General Guideline: Average rate of 22.40% of annual salary plus health insurance for appropriate employee category)

### FIXED HEALTH INSURANCE AMOUNTS

**Health Insurance for EPA/SPA Permanent**
- (effective 07/01/2013)
  - HMO Health Plans (Object Code 1833)
    - $5,285.00

**Other-Health Insurance**
- (effective 07/01/2013)
  - Postdoctoral Research Associates (Object Code 1831)
    - $3,636.00
  - Postdoctoral Trainees (Object Code 4518)
    - $3,636.00

- (effective 08/01/2013-07/31/2014)
  - Graduate Student Health Insurance (Object Codes 1635/6596)
    - $2,822.88

### VARIABLE RATES (PERCENTAGE)

**Social Security (Object Code 1812)**
- For the Old Age, Survivors and Disability Insurance portion (OASDI)
  - Calendar Year 2014 Taxable salary base (maximum)
    - $117,000.00
  - Contribution rate
    - 5.2000%
  - Calendar Year 2014 maximum contribution
    - $7,125.00

**Social Security Medicare (Object Code 1813)**
- Calendar Year 2014 (no change from Calendar Year 2013):
  - 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 01/01/2014)
    - Employed prior to 01/01/1996
      - $385,000.00
    - Employed on or after 01/01/1996
      - $260,000.00
  - Employer Contribution paid to pension fund (effective 07/01/2013)
    - Retiree Health, Disability, and Death Benefits (effective 07/01/2013)
      - 8.6900%
    - Overall Contribution rate:
      - 14.9900%

**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 01/01/2014)
    - Employed prior to 07/01/1996
      - $385,000.00
    - Employed on or after 07/01/1996
      - $250,000.00
  - Employer Contribution paid to ORP (effective 07/01/2013)
    - Retiree Health and Disability Benefits (Object Code 1873, effective 07/01/2013)
      - 6.3400%
    - Overall Contribution rate:
      - 12.6800%

**Severance Pay (Object Code 1251)**
- Salary base: SPA Salaries paid from Non-State Funds (Only object codes 121x)
  - Contribution rate (effective 07/01/2013)
    - 1.0000%

**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 07/01/2013)
    - 0.4500%

**On-Campus Transit Fee (Object Code 3914)**
- Salary Base: All Salaries paid from all funds (Object Codes 11xx, 12xx, 13xx, 14xx)
  - Rate (effective 07/01/2013)
    - 0.2580%

**Communication Technologies Core Fee (Object Code 3226)**
- Salary Base: All Salaries paid from all funds (Object Codes 11xx, 12xx, 13xx, 14xx)
  - Rate (effective 01/01/2013)
    - 0.5400%

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

Updated FY 2014 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting

All Rates apply to Annual Salary

(General Guideline: Average rate of 5.09% of Annual Salary plus $2,090.16 of Supplemental Health Benefits)

**FIXED HEALTH INSURANCE AMOUNTS**

**Supplemental Medical Insurance** (Object Code 1808)
Annual Amount (effective 01/01/2014) $1,416.48

**Dental Insurance** (Object Code 1806)
*Annual Amount (effective 07/01/2013) $578.40

**Vision** (Object Code 1806)
(effective 01/01/2012)
Annual Amount $95.28

*Total Fixed Amounts for Supplemental Health Benefits $2,090.16

**VARIABLE RATES (PERCENTAGE)**

**Retirement** (Object Code 1604)
(effective 01/01/2012)
Annual Rate 3.5000%

Maximum compensation subject to retirement
Hired prior to 7/1/96 no limit
Hired on or after 7/1/96 $260,000.00 (effective 01/01/2014)

**Group Term Life Insurance** (Object Code 1801)
(effective 01/01/2014)
Annual Rate 0.6240%

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 01/01/2012)
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 01/01/2014)
Annual Rate 0.8400%
(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.