



MEMORANDUM

To: Deans, Directors, and Department Chairs
 UNC Department Business Managers
 Research Administration Support Group

From: Brian Bertlshofer *BJB*
 Director, Cost Analysis & Compliance
 Office of Sponsored Programs

Date: 12/15/2023

Subject: **Change to Three Fringe Benefit Rates and Budgeting Fringe Benefits and Fixed Health Insurance Rates - FY 2024**

Change to Three Fringe Benefit Rates for Permanent Employees

For the past few years the difference between the State Retirement (TSERS – 25.02%) and Optional Retirement Programs (ORP – 14.09%) retirement rates has been expanding. To compensate for the impact this difference is having on the estimation of fringe benefit costs in budgets for sponsored project proposals, we will be implementing a change from one to three fringe benefit rate options for permanent employees.

Effective February 1, 2024, the composite permanent employee fringe benefit rate will no longer be accepted and the use of one of the following three fringe benefit rates will be required for budgeting purposes on all sponsored project proposals:

Faculty – TSERS	34.510%
Faculty – ORP	23.580%
SHRA/EHRA Non-Faculty	36.910%

The fringe benefit rate change is for estimating fringe benefit costs in sponsored project budgets and **does not** change how actual fringe benefit costs are charged in ConnectCarolina. The calculation of estimated fringe benefit costs for Post-Doctoral, Graduate and Undergraduate Students does not change.

Budgeting Fringe Benefits and Fixed Health Insurance Rates – FY2024

The fringe benefits and health insurance rates for sponsored projects have been set for fiscal year 2024. Refer to the attached rate schedules to appropriately determine personnel benefits in proposals.

The fringe benefits and health insurance amounts require separate calculations to incorporate them into a proposal. The variable rate of fringe benefits is applied to an employee’s proposed salary amount. The amount of fixed health insurance is calculated by including the prorated amount of insurance based on the proposed salary level. These two calculations are combined to determine the total amount to include in a sponsored project’s budget.

Schedule I provides the finalized rates for permanent employees, post-doctoral appointees, and graduate students.

SCHEDULE I	Fringe Benefit Rate	Fixed Health Insurance
Faculty - TSERS	34.510%	\$7,557.00
Faculty - ORP	23.580%	\$7,557.00
SHRA/EHRA Non-Faculty	36.910%	\$7,557.00
Post-Doctoral Appointee	9.490%	\$6,086.52
Graduate Students	9.490%	\$5,096.04
Graduate Students (with FICA exemption)	1.840%	\$5,096.04
Undergraduate Students (with FICA exemption)	1.840%	-

Schedule II lists supplemental fixed health insurance and fringe benefits rates applicable to UNC Faculty and Physicians (F & P) Practice Plan members only. This amount is in addition to the rates included in Schedule I.

SCHEDULE II	Fringe Benefit Rate	Fixed Health Insurance
F&P Member - Permanent Employee	4.747%	\$2,011.80

Example: F&P Practice Plan member benefits calculation would include both schedules, 28.327% (Schedule I Faculty – ORP 23.580% + Schedule II 4.747%) + \$9,568.80 (Schedule I \$7,557.00 + Schedule II \$2,011.80).

A detailed breakdown of Schedules I and II are available online at

<https://research.unc.edu/wp-content/uploads/sites/61/2023/12/osp-FY2024-Schedule-I-II.pdf>

Fringe Benefit and Health Insurance rates are available on the OSP website at

<https://research.unc.edu/sponsored-programs/resources/information-sheet/#info8>

Please contact your department's assigned OSP Sponsored Projects Specialist with questions on applying these rates on sponsored projects. For all other general questions, please contact Brian Bertlshofer by phone at (919) 843-4891 or email at bertlsbj@email.unc.edu.