



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

OFFICE OF THE VICE CHANCELLOR FOR RESEARCH


OFFICE OF SPONSORED RESEARCH

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MEMORANDUM

TO: Deans, Directors, and Department Chairs

FROM: Brian Bertlshofer   
Director, Cost Analysis and Compliance, Office of Sponsored Research

DATE: 01/03/2017

SUBJECT: Updated Fiscal Year 2017 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting

Effective January 1, 2017, the Fiscal Year 2017 fringe benefits budgeting guidelines for sponsored agreements will be updated to reflect the calendar year changes to the following categories:

Social Security (OASDI) Calendar Year 2017 maximum taxable salary base  
Compensation limits (maximum) subject to retirement (TSERS & ORP)  
State Retirement contribution rate  
Optional Retirement Program contribution rate  
P & A Supplemental Medical Insurance

See Schedules I & II for details regarding the above mentioned updates. The highlighted items below have changed from the (08/01/2016) memorandum.

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 23.093% **plus** the fixed health insurance component (\$5,659.00).

To budget basic fringe benefits for post doctoral appointees and graduate students, apply an average rate of 8.990% (includes Communications Technology fee to be paid from Sponsored Agreement payroll sources effective 01/01/2013) **plus** the related fixed health insurance component (\$4,310.16 Post Doctoral appointee; \$3,399.24 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 5.079% **plus** the fixed supplemental health insurance component (\$2,093.04).

**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 (28.172% [23.093% + 5.079%]) **plus** \$7,752.04 (\$5,659.00 + \$2,093.04) for basic and supplemental health insurance.**

Schedules I and II are available on the web at [http://research.unc.edu/files/2016/07/fringe\\_17.pdf](http://research.unc.edu/files/2016/07/fringe_17.pdf)

Rates are available on the OSR website at [http://research.unc.edu/offices/sponsored-research/resources/DATA\\_RES\\_OSRIINFOSHEET#fringe2](http://research.unc.edu/offices/sponsored-research/resources/DATA_RES_OSRIINFOSHEET#fringe2)

Please direct specific questions to your department's designated sponsored projects specialist or to [resadminosr@unc.edu](mailto:resadminosr@unc.edu)

Please contact Trent Riley ([trent\\_riley@unc.edu](mailto:trent_riley@unc.edu)) at (919) 843-4825 or Brian Bertlshofer ([bertlsbi@email.unc.edu](mailto:bertlsbi@email.unc.edu)) at (919) 843-4891 for general questions about these rates.

*Schedule I*

**FY 2017 Basic Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting**  
**All rates apply to Annual Salary**

(General Guideline: Average rate of 23.093% of annual salary plus health insurance for appropriate employee category)

**FIXED HEALTH INSURANCE AMOUNTS**

**Health Insurance for EPA/SPA Permanent**

(effective 07/01/2016) \$5,659.00  
 HMO Health Plans (ConnectCarolina Account 515530 formerly FRS Object Code 1833)

**Other-Health Insurance**

(effective 07/01/2016)  
 Postdoctoral Research Associates (ConnectCarolina Account 515510 formerly FRS Object Code 1831) \$4,310.16  
 Postdoctoral Trainees (Object Code 4518) \$4,310.16

(effective 08/01/2016 - 07/31/2017)  
 Graduate Student Health Insurance (ConnectCarolina Account 515540/569220 formerly Object Codes 1836/6596) \$3,399.24

**VARIABLE RATES (PERCENTAGE)**

**Social Security (ConnectCarolina Account 515120 formerly FRS Object Code 1812)**

For the Old Age, Survivors and Disability Insurance portion (OASDI)  
 Calendar Year 2017 Taxable salary base (maximum) \$127,200.00  
 Contribution rate 6.2000%  
 Calendar Year 2017 maximum contribution \$7,886.40

**Social Security Medicare (ConnectCarolina Account 515130 formerly FRS Object Code 1813)**

Calendar Year 2017 (no change from Calendar Year 2016)  
 Taxable salary base (maximum) no limit  
 Contribution rate 1.4500%

**State Retirement (ConnectCarolina Account 515210 formerly FRS Object Code 1822)**

Salary base: Gross wages paid by UNC-CH  
 Compensation subject to retirement (maximum) (effective 01/01/2017)  
     Employed prior to 01/01/1996 \$400,000.00  
     Employed on or after 01/01/1996 \$270,000.00  
 Employer Contribution paid to pension fund (effective 07/01/2016) 9.9800%  
 Retiree Health, Disability, and Death Benefits (effective 01/01/2017) 6.3500%  
 Overall Contribution rate: 16.3300%

**Optional Retirement Programs**

TIAA (ConnectCarolina Account 515410 formerly FRS Object Code 1872)  
 Fidelity (ConnectCarolina Account 515450 formerly FRS Object Code 1876)  
  
 Salary base: Gross wages paid by UNC-CH  
 Compensation subject to retirement (maximum) (effective 01/01/2017)  
     Employed prior to 07/01/1996 \$400,000.00  
     Employed on or after 07/01/1996 \$270,000.00  
 Employer Contribution paid to ORP (effective 07/01/2016) 6.8400%  
 Retiree Health and Disability Benefits (ConnectCarolina Account 515420 Object Code 1873, effective 01/01/2017) 6.1900%  
 Overall Contribution rate: 13.0300%

**Severance Pay (ConnectCarolina Account 512510 formerly FRS Object Code 1251)**

Salary base: SPA Salaries paid from Non-State Funds  
 Contribution rate (effective 07/01/2015) 1.0000%

**Composite Benefit Fund (ConnectCarolina Account 516120 formerly FRS 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  
 Contribution rate (effective 09/01/2015) 0.5000%

**On-Campus Transit Fee (ConnectCarolina Account 521110 formerly FRS Object Code 3914)**

Salary Base: All Salaries paid from all funds  
 Rate (effective 07/01/2015) 0.3000%

**\*Communication Technologies Core Fee (ConnectCarolina Account 521210 formerly FRS Object Code 3225)**

Salary Base: All Salaries paid from all funds  
 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*

**FY 2017 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting**  
**All Rates apply to Annual Salary**  
 (General Guideline: Average rate of 5.079% of Annual Salary plus \$2,093.04 of Supplemental Health Benefits)

**FIXED HEALTH INSURANCE AMOUNTS**

|   |  |                |
|---|--|----------------|
| <b><u>Supplemental Medical Insurance</u></b> (ConnectCarolina Account 515860 formerly FRS Object Code 1808) |  |                |
| Annual Amount (effective 01/01/2017)  |  | \$1,349.52     |
| <b><u>Dental Insurance</u></b> (ConnectCarolina Account 515860 formerly FRS Object Code 1808)               |  |                |
| Annual Amount (effective 01/01/2016)  |  | \$644.40       |
| <b><u>Vision</u></b> (ConnectCarolina Account 515850 formerly FRS Object Code 1806)                         |  |                |
| (effective 01/01/2016)  |  |                |
| Annual Amount   |  | <u>\$99.12</u> |
| Total Fixed Amounts for Supplemental Health Benefits  |  | \$2,093.04     |

**VARIABLE RATES (PERCENTAGE)**

|   |                |                        |
|---|----------------|------------------------|
| <b><u>Retirement</u></b> (ConnectCarolina Account 515830 formerly FRS Object Code 1804)                         |                |                        |
| (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) |
| <b><u>Group Term Life Insurance</u></b> (ConnectCarolina Account 515810 formerly FRS 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 |                        |
| <b><u>Accidental Death and Dismemberment</u></b> (ConnectCarolina Account 515810 formerly FRS 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 |                        |
| <b><u>Long Term Disability</u></b> (ConnectCarolina Account 515840 formerly FRS 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.