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MEMORANDUM

TO: Deans, Directors, and Department Chairs

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

DATE: 03/26/2018

SUBJECT: **Update: Fiscal Year (FY) 2018 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting**

The FY2018 fringe benefits budgeting guidelines for sponsored agreements have been updated to reflect the calendar year changes to the following categories:

Social Security (OASDI) Calendar Year 2018 maximum taxable salary base
Compensation limits (maximum) subject to retirement (TSERS & ORP)
P & A Supplemental Insurance

Also, the average fringe benefit rate has been updated to include the impact of the 1.2% Terminal Leave Payout fee that will be applied to SHRA and EHRA non-faculty salaries starting July 1, 2018.

See Schedules I & II for details regarding the above mentioned updates. The highlighted items below have changed from the (08/15/2017) 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 23.897%** **plus** the fixed health insurance component (\$5,869.00).

To budget basic fringe benefits for post doctoral appointees and graduate students, apply an average rate of 8.990% (use 1.340% for graduate and undergraduate students that qualify for the student FICA tax exemption) **plus** the related fixed health insurance component (\$4,318.20 Post Doctoral appointee; \$3,893.26 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 **4.917%** **plus** the fixed supplemental health insurance component **(\$2,225.28)**.

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 (28.814% [23.897% + 4.917%]) plus \$8,094.28 (\$5,869.00 + \$2,225.28) for basic and supplemental health insurance.

Schedules I and II are available on the web at http://research.unc.edu/files/2017/08/FY-2018-Annual-Fringe-Benefits-Memorandum_Final.pdf

Rates are available on the OSR website at http://research.unc.edu/sponsored-research/resources/data_res_osr_infosheet/#fringe2

Please direct questions about which rate to apply to the sponsor-specific OSR Research Administration team at <https://research.unc.edu/sponsored-research/about/staff/>. Please contact Brian Bertlshofer at (919) 843-4891 (bertlsbj@email.unc.edu) for general questions about these rates.

Schedule I

FY 2018 Basic Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting

All rates apply to Annual Salary

(General Guideline: Average rate of 23.897% of annual salary plus health insurance for appropriate employee category)

FIXED HEALTH INSURANCE AMOUNTS

Health Insurance for EHRA/SHRA Permanent

(effective 07/01/2017) \$5,869.00
HMO Health Plans (ConnectCarolina Account 515530)

Other-Health Insurance

(effective 07/01/2017)
Postdoctoral Research Associates (ConnectCarolina Account 515510) \$4,318.20
Postdoctoral Trainees \$4,318.20

(effective 08/01/2017 - 07/31/2018)
Graduate Student Health Insurance (ConnectCarolina Account 515540/569220) \$3,893.26

VARIABLE RATES (PERCENTAGE)

Social Security (ConnectCarolina Account 515120)

For the Old Age, Survivors and Disability Insurance portion (OASDI)
Calendar Year 2018 Taxable salary base (maximum) \$128,400.00
Contribution rate 6.2000%
Calendar Year 2018 maximum contribution \$7,960.80

Social Security Medicare (ConnectCarolina Account 515130)

Calendar Year 2018 (no change from Calendar Year 2017)
Taxable salary base (maximum) no limit
Contribution rate 1.4500%

State Retirement (ConnectCarolina Account 515210)

Salary base: Gross wages paid by UNC-CH
Compensation subject to retirement (maximum) (effective 01/01/2018)
Employed prior to 01/01/1996 \$405,000.00
Employed on or after 01/01/1996 \$275,000.00
Employer Contribution paid to pension fund (effective 07/01/2017) 10.7800%
Retiree Health, Disability, and Death Benefits (effective 07/01/2017) 6.3500%
Overall Contribution rate: 17.1300%

Optional Retirement Programs

TIAA (ConnectCarolina Account 515410)
Fidelity (ConnectCarolina Account 515450)

Salary base: Gross wages paid by UNC-CH
Compensation subject to retirement (maximum) (effective 01/01/2018)
Employed prior to 07/01/1996 \$405,000.00
Employed on or after 07/01/1996 \$275,000.00
Employer Contribution paid to ORP (effective 07/01/2017) 6.8400%
Retiree Health and Disability Benefits (ConnectCarolina Account 515420, effective 07/01/2017) 6.1900%
Overall Contribution rate: 13.0300%

Severance Pay (ConnectCarolina Account 512510)

Salary base: SHRA Salaries (Account Range 512120 - 512190) paid from all Funds except 20xxx, 21xxx, and 22xxx
Contribution rate (effective 07/01/2015) 1.0000%

Composite Benefit Fund (ConnectCarolina Account 516120)

Covers unemployment, workers compensation, short-term disability pay, and health insurance while on professional leave. Salary base: EHRA and SHRA salaries (Account Ranges 511120 - 512420 and 512610 - 514730) paid from all Funds except 20xxx, 21xxx and 22xxx
Contribution rate (effective 09/01/2015) 0.5000%

On-Campus Transit Fee (ConnectCarolina Account 521110)

Salary Base: All Salaries paid from all funds (Account Ranges 511120 - 512420 and 512610 - 514730)
Rate (effective 07/01/2015) 0.3000%

Communication Technologies Core Fee (ConnectCarolina Account 521210)

Salary Base: All Salaries paid from all funds (Account Ranges 511120 - 512420 and 512610 - 514730)
Rate (effective 01/01/2013) 0.5400%

Terminal Leave Payout (ConnectCarolina Account 516130)

Salary base: SHRA and EHRA Non-Faculty Salaries
Contribution rate (effective 07/01/2018) 1.2000%

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

Schedule II

FY 2018 Fixed Health Insurance and Fringe Benefits Rates for Sponsored Agreement Budgeting

All Rates apply to Annual Salary

(General Guideline: Average rate of 4.917% of Annual Salary plus \$2,225.28 of Supplemental Health Benefits)

FIXED HEALTH INSURANCE AMOUNTS

Supplemental Medical Insurance (ConnectCarolina Account 515860 formerly FRS Object Code 1808)

Annual Amount (effective 01/01/2018) \$1,452.00

Dental Insurance (ConnectCarolina Account 515860 formerly FRS Object Code 1808)

Annual Amount (effective 01/01/2018) \$670.20

Vision (ConnectCarolina Account 515850 formerly FRS Object Code 1806)

(effective 01/01/2018)
Annual Amount \$103.08

Total Fixed Amounts for Supplemental Health Benefits \$2,225.28

VARIABLE RATES (PERCENTAGE)

Retirement (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	\$275,000.00	(effective 01/01/2018)

Group Term Life Insurance (ConnectCarolina Account 515810 formerly FRS Object Code 1801)

(effective 01/01/2018)
Annual Rate 0.5520%

Coverage Amount = four times annual salary

Minimum coverage amount	\$1,000.00
Maximum coverage amount	\$1,000,000.00

Accidental Death and Dismemberment (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	\$1,000.00
Maximum coverage amount	\$1,000,000.00

Long Term Disability (ConnectCarolina Account 515840 formerly FRS Object Code 1805)

(effective 01/01/2018)
Annual Rate 0.7500%
(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.