

Email communication on Budget-L Listserv 2/9/16:

FY17 FRINGE BENEFIT RATES

Non-Sponsored Accounts

We have developed the University Program Fringe Benefit Rates for FY17. They are attached and can also be found on our website at the link below. These are the final rates that will be charged against non-sponsored payroll in FY17. Since we don't receive the actual fringe rate component information from the State until June, if there are any changes from our rates, the University will absorb that cost centrally next year. The following year, any fringe differential will be built into that year's blended rates.

We hope you find this timing change helpful in your planning and budgeting activities.

There are some important changes to note with this year's fringe rates that are outlined below. We feel these positive changes will also help streamline your budgeting and financial analysis.

- **Workers Compensation (WC)** - There will no longer be a specific WC object code in KFS (5725). The WC rate will be built into the fringe rates for each fringe object code. The FY17 WC component is .50%.
- **Student Payroll** will not have a fringe rate. The WC will not be assessed within the fringe rate. This will be a small savings for departments.
- **Special Payroll** will now have one blended rate. In FY17 departments will be charged 21.5% for any employee paid on Special Payroll. The new blended rate incorporates actual employee experience and includes all potential fringe costs – retirement, FICA, unemployment compensation, and now health care. We will monitor the impact of the health insurance changes over this next year and may need to further adjust the fringe rate the following year.

For Ledger-2 (OPTUI) accounts only:

We will be providing departments with the permanent budget dollars to cover the fringe rate increases as part of the initial Budget Construction load. We will be sending a spreadsheet to each Unit today with their total base budget and the total fringe rate adjustment added to each account. Those amounts will be loaded into the 4100 object code in each account.

The fringe rate changes are summarized in the table below and the budget calculations were based on the permanent and continuing employees on the payroll as of 1/31/16.

Fringe Benefits	Object Code	FY16 Rate plus WC	FY17 Rate (includes WC)	Change
Classified	5110	93.2%	94.5%	1.3%
Faculty	5111	48.1%	50.6%	2.5%
Other Professional	5112	60.6%	63.5%	2.9%

Note that Graduate Assistants (5250) and Post Docs (5260) have a slight decrease in the rates but we will not be taking back any funding for those variances. There will also be no adjustment for the Special Payroll rate, as it is now a blended rate between the higher and lower rates from FY16.

If you have any questions, please contact your assigned budget analyst or the Budget Office main line at 486-6288 or budget@uconn.edu. A copy of this communication is also available on the Budget Office Website or by clicking the following link: <http://budget.uconn.edu/fringe-benefit-rates/>.