Fringe Benefit Rates

Introduction
The University uses employee fringe benefit rates to recover the actual cost of employee benefits from individual funding sources. The rate concept is to match a similar group of employees with the benefits provided to that group. While on an individual basis, an employee may not participate in all benefits, the use of benefit rates serves to apply an average percentage to all employees within the same group. Since these rates are applied to University grants and contracts, they are subject to annual audit by the Federal Government.

Policy Statement
The University has developed two employee fringe benefit rates for current use in budget plans, external grant proposals, capital projects, and similar cost objectives. The rates combine faculty, staff, and in some cases, students into a (1) Full Time Rate (50% time or greater), and (2) a Part-Time Rate (less than 50% time). The following rates have been approved by the Federal government and are in effect:

<table>
<thead>
<tr>
<th></th>
<th>Full Time</th>
<th>Part Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>30.5%</td>
<td>7.5%</td>
</tr>
<tr>
<td>FY2018</td>
<td>31%</td>
<td>7.5%</td>
</tr>
<tr>
<td>FY2019</td>
<td>30.7%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

Full Time Fringe Benefit – Components (Employer Paid)

- Social Security (FICA)
- Medicare
- Retirement - Defined Contribution Plan
- Health Plan
- Life Insurance
- Dental Plan
- Worker's Compensation Insurance
- Dependent Care Program
- Unemployment Insurance
- Long-Term Disability Insurance
- Transportation
- Sabbatical Program
- Benefits Administration
- Employee Educational Assistance
- Retirement – Defined Pension Plan

Definitions
**Full time:** Includes all regular faculty and staff. Employees who have an appointment of 50% time or greater (>975 hours), are eligible for the University contribution to its benefit program, and are considered full time for this purpose.

**Part time:** Includes part time employees and Limited Duration employees who have an appointment of less than 50% time (<975 hours), and are not eligible for University contributed benefits such as health ins., dental, sick and vacation time.

Responsibilities
Faculty and staff are responsible for using these rates in budgeting and planning documents, including external grant proposals which are being asked to fund employee salaries, wages and benefits. The
benefit rates associated with the salary or wages paid to an employee must also follow any costing changes made within the payroll system. Departmental cost center managers are responsible for identifying the benefit rate to be used when re-costing salary charges.

The University’s Controller’s Office is responsible for, and will prepare and submit a proposal for future fringe rates to the federal government.

Appendices

Department of Health & Human Services Negotiation Agreement

Policy Owner

Approved by Executive Vice President for Finance & Administration

Contact(s)

Annabella Ramer
Financial Reporting Manager
Annabella_Ramer@brown.edu

Charlene Sweeney
Controller
Charlene_Sweeney@brown.edu

Revision Date: Thu, 2018-03-08 16:25

Source URL (retrieved on 2018-Jul 15):
https://www.brown.edu/about/administration/policies/node/267