




THE UNIVERSITY OF NORTH CAROLINA
AT
CHAPEL HILL

Office of Contracts & Grants
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MEMORANDUM

TO: Deans, Directors, and Department Chairs

FROM: F. John Case 
Executive Director

DATE: August 24, 2000

SUBJECT: Fiscal Year 2001 - Fringe Benefit Rates for Use in Research and Training Proposals

In preparing research and training proposals to sponsoring agencies, there are always uncertainties with specific project staffing and fringe benefit costs in future years. Accordingly, it is generally more appropriate to apply a combined fringe benefit rate of 19% to cover Social Security, Retirement (State and Optional Retirement Plans), severance pay, and other fringe benefits. The rate, which varies slightly from the sum of the individual components, should be applied to the total estimated salary and wages subject to such contributions. Experience has shown that use of the combined rate in this manner will reasonably approximate future fringe benefit costs. This combined rate does not include hospital-medical or other health insurance contributions. Those rates are shown below (monthly and yearly premiums) and should be stated separately in a proposal. These rates are effective October 1, 2000.

<u>Hospital-Medical</u>	<u>Monthly</u>	<u>Yearly</u>
Comprehensive Major Medical (Object Code 1832)		
HMO/Health Plans (Object Code 1833)		
Employer contribution	\$ 187.98	\$ 2,255.76
 <u>Other Health Insurance</u>		
Postdoctoral Research Associates (Object Code 1831)	\$ 118.00	\$ 1,416.00
Postdoctoral Trainees (Object Code 4518)	\$ 118.00	\$ 1,416.00
Graduate Student Health Insurance (Object Codes 1836/6596)	\$ 75.67	\$ 908.04

When sponsors requests specific components of fringe benefits be addressed in a proposal, the rates in Attachment I apply. If you have any questions relating to budgeting fringe benefits in proposals, please call Kent Walker, Office of Contracts & Grants, at 962-1353.

Note: The fringe benefit rates mentioned above are published in the Contracts and Grants section of the Business Manual along with the current Facilities & Administrative (F&A) cost rates. They are also available on the Office of Contracts and Grants Home Page. The address is:
<http://www.ais.unc.edu/candg/cghome.htm>

Social Security (Object Code 1812)

For the Old Age, Survivors and Disability Income portion (OASDI)

Calendar Year 2000:

Taxable salary base (maximum)	\$76,200
Contribution rate	6.2%
Maximum contribution	\$ 4,724

Calendar Year 2001: (projection)

FICA	\$78,600
Contribution rate	6.2%
Maximum contribution	\$ 4,873

Social Security (Object Code 1813)

For the Medicare Portion

Calendar Years 2000 & 2001:

Taxable salary base (maximum)	no limit
Contribution rate	1.45%

State Retirement (Object Code 1822)

Salary base: Gross wages paid by UNC-CH

Compensation subject to retirement (maximum)

Employed prior to 7/1/96

\$275,000

Employed on or after 7/1/96

\$170,000

Contribution rate (effective 7/1/00)

7.13%

Optional Retirement Programs

TIAA (Object Code 1872)

Lincoln National (Object Code 1874)

VALIC (Object Code 1875)

Fidelity (Object Code 1876)

Salary base: Gross wages paid by UNC-CH

Compensation subject to retirement (maximum)

Employed prior to 7/1/96

\$275,000

Employed on or after 7/1/96

\$170,000

Employer Contribution paid to ORP

6.84%

Health and Disability Benefits (Object Code 1873, effective 7/1/00)

1.80%

Overall Contribution rate:

8.64%

Severance Pay (Object Code 1251)

Salary base: SPA Salaries paid from Non-State Funds

(Only object codes 121x)

Contribution rate (effective 10/1/00)

0.1%

Composite Benefit Fund (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

(Object codes 11xx, 12xx, 13xx, and 14xx)

Contribution rate (effective 10/1/00)

0.3%

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