

# MICHIGAN STATE UNIVERSITY

January 24, 2024

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: Gregory J. Deppong, Associate Vice President and University Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR FISCAL YEAR 2024-25

Below are the specific identification (SI) fringe benefit charges that will be in effect for fiscal year 2024-25 (beginning with payrolls after July 1, 2023). The SI health care charge to departments will increase from \$15,635 to \$16,026 (full-time), while the miscellaneous rate will remain at 1.4%.

Looking ahead to fiscal year 2025-26, for your budget planning, please expect a 2.5%-4.0% increase (\$16,427-\$16,667) in the SI health care charge. This projected increase is based on the historical trend of health care cost increases and forward-facing industry indicators. However, the actual rate will be determined at this time next year based on prior year actual experience.

Please contact Ann Payne in the Controller's Office at [payneann@msu.edu](mailto:payneann@msu.edu) if you have any questions.



## OFFICE OF THE CONTROLLER

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Type of Employee - % of Employment	Annual Health/Dental/Rx (note 1)	FICA Social Security (note 2)	Retirement (note 3)	Miscellaneous (note 4)
Faculty/Staff - Full-time (90% or greater)	\$16,026	7.65%	10%	1.4%
Faculty/Staff - 75% time	\$12,020	7.65%	10%	1.4%
Faculty/Staff - 50% time	\$8,013	7.65%	10%	1.4%
Research Associates (note 5)	\$7,948	7.65%	10%	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$12,356	7.65%	10%	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$9,267	7.65%	10%	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$6,178	7.65%	10%	1.4%
Temporary/on-call - less than 50%	\$0	7.65%	n/a	n/a

Notes:

- 1) Health costs on base wages. Charged on all ELIGIBLE employees, regardless of participation.
- 2) Social Security @ 6.2% on all earnings types to maximum (\$168,600 for calendar year 2024), Medicare @ 1.45% on all earnings types.
- 3) Retirement on base wages and others per labor contracts. Charged on all PARTICIPATING employees. The charge follows the university matching contribution percentages outlined on HR's website. Please visit their [403\(B\) Base Retirement Program](#) page for more information.
- 4) Miscellaneous on base wages. Includes unemployment compensation, workers' compensation, long-term disability, longevity, life insurance, employee tuition reimbursement and support staff vacation payouts. Please note that the miscellaneous rate will remain at 1.4% for the 2024-25 fiscal year.
- 5) For further information on Research Associates, the SI charging model and web-based budgeting tools, please visit [CGA Salary and Fringe Benefits](#).
- 6) A reduced charge for health/dental/Rx charges (retiree costs eliminated) will be assessed on Lecturers, Assistant Instructors, Instructor/Interns, Instructor/Residents, Residents and Interns.