

# MICHIGAN STATE UNIVERSITY

June 5, 2007

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: David B. Brower,  
Assistant Vice President, Chief Financial Officer and Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR 2007-2008

Please be advised that the specific identification (SI) fringe benefit charges for 2007-08 will remain the same as 2006-07. Due to cost savings achieved over the past year, there is no need for a rate increase at this time. Listed below are the SI rates that will remain in effect through June 2008:

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)	\$11,200	7.65%	10%	2.10%
Faculty/Staff - 75% time	\$8,400	7.65%	10%	2.10%
Faculty/Staff - 50% time	\$5,600	7.65%	10%	2.10%
Research Associates	\$5,500	7.65%	(note 5)	2.10%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$8,600	7.65%	n/a	2.10%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$6,450	7.65%	n/a	2.10%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$4,300	7.65%	n/a	2.10%
Temporary/on-call - less than 50%	\$ -	7.65%	n/a	n/a



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Notes:

- 1) Health costs on base wages which include Salary (SAL), clerical/technical (CTS), groups 1585 and 999 (REG), and Salary IATSE (TSS). Charged on all ELIGIBLE employees, regardless of participation.
- 2) Social Security @ 6.2% on all earnings types to maximum, Medicare @ 1.45% on all earnings types.
- 3) Retirement on base wages and others per labor contracts. Charged on all PARTICIPATING employees.
- 4) Miscellaneous on base wages. Includes unemployment compensation, workers' compensation, long-term disability, longevity, life insurance, and employee tuition reimbursement.
- 5) The benefit costs of Research Associates changed for fiscal year 2006-07 and remain the same for 2007-08. Please see the CGA website, [www.cga.msu.edu/si.htm](http://www.cga.msu.edu/si.htm) for details.

## FRINGE BENEFIT CHARGES

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- 6) A reduced charge for health/dental/Rx charges (retiree costs eliminated) will be assessed on Lecturers and Assistant Instructors for the first three years of employment. Once employment term has exceeded 36 months, these employees will be assessed at the faculty/staff amount. In addition, these employees will be required to enroll in the retirement plan after 24 FTE months AND age 35.

**NOTE: Grand parenting ends effective 6/30/07. Recall that for research accounts, 61-0000 – 61-9999, fringe grand parenting was created (three years ago) to provide time for those projects that were originally budgeted using the old salary rate-based fringe system to prepare for the conversion to the SI fringe system. With the first payroll of 2007-08 (July 13, 2007), these accounts will now follow all SI fringe rules. Please contact Contracts & Grants with any questions.**

For more details on the specific identification model and web-based budgeting tools, please visit [www.cga.msu.edu](http://www.cga.msu.edu) and click on the “Specific Identification (SI) of fringe benefits” link.

This memorandum is available at <http://ctrl.msu.edu/COPayroll/Fringes.aspx>. Also, the account fringe redirection table may be viewed at this site as well.