

# MICHIGAN STATE UNIVERSITY

May 27, 2015

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: Gregory J. Deppong, Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR FISCAL YEAR 2015-16

Below are the specific identification (SI) fringe benefit charges that will be effective for payrolls after July 10, 2015. Note the health care rates charged to departments across campus will increase 0.5% to \$12,500, and the miscellaneous fringe rate will be lowered from 1.5% to 1.4%. Additionally, ***beginning fiscal year 2015-16, support staff vacation payouts at termination will now be funded centrally via the miscellaneous fringe rate and will no longer be charged directly to department accounts.***

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)	\$12,500	7.65%	10%	1.4%
Faculty/Staff - 75% time	\$9,375	7.65%	10%	1.4%
Faculty/Staff - 50% time	\$6,250	7.65%	10%	1.4%
Research Associates	\$6,200	7.65%	(note 5)	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$9,850	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$7,388	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$4,925	7.65%	n/a	1.4%
Temporary/on-call - less than 50%	\$0	7.65%	n/a	n/a



## OFFICE OF THE CONTROLLER

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### 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 (\$118,500 for calendar year 2015), 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, employee tuition reimbursement and support staff vacation payouts. Please note that the miscellaneous rate has been decreased from 1.5% to 1.4% for the 2015-16 fiscal year.
- 5) For further information on Research Associates, the SI charging model and web-based budgeting tools, please visit <https://cga.msu.edu>. Click on the "Pre-award" tab and choose "Fringe Benefit Information".
- 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. With the exception of Instructor/Interns and Instructor/Residents, these employees will be required to enroll in the retirement plan after 24 FTE months AND age 35.

This memorandum is available at <http://ctrl.msu.edu/COPayroll/Fringes.aspx>