

MICHIGAN STATE UNIVERSITY

May 26, 2016

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: Gregory J. Deppong, Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR FISCAL YEAR 2016-17

Below are the specific identification (SI) fringe benefit charges that will be effective for payrolls after July 8, 2016. Note the health care rates charged to departments across campus will increase 5% to \$13,125, and the miscellaneous fringe rate will remain at 1.4%.

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)	\$13,125	7.65%	10%	1.4%
Faculty/Staff - 75% time	\$9,844	7.65%	10%	1.4%
Faculty/Staff - 50% time	\$6,563	7.65%	10%	1.4%
Research Associates	\$6,510	7.65%	(note 5)	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$10,106	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$7,580	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$5,053	7.65%	n/a	1.4%
Temporary/on-call - less than 50%	\$0	7.65%	n/a	n/a



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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 2016), 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 will remain at 1.4% for the 2016-17 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. 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>