

MICHIGAN STATE
UNIVERSITY

June 4, 2008

TO: Deans, Directors, Chairpersons and Executive Managers

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

SUBJECT: FRINGE BENEFIT CHARGES FOR 2008-2009

Below are the specific identification (SI) fringe benefit charges that will be effective for payrolls after July 3, 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)	\$11,800	7.65%	10%	2.10%
Faculty/Staff - 75% time	\$8,850	7.65%	10%	2.10%
Faculty/Staff - 50% time	\$5,900	7.65%	10%	2.10%
Research Associates	\$5,800	7.65%	(note 5)	2.10%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$9,200	7.65%	n/a	2.10%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$6,900	7.65%	n/a	2.10%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$4,600	7.65%	n/a	2.10%
Temporary/on-call - less than 50%	\$0	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 (\$102,000 for calendar year 2008), 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) Please see the CGA website, www.cga.msu.edu/si.htm for more details on Research Associates.

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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.

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

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