

MICHIGAN STATE UNIVERSITY

June 16, 2017

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: Gregory J. Deppong, Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR FISCAL YEAR 2017-18

Below are the specific identification (SI) fringe benefit charges that will be effective for payrolls after July 7, 2017. The SI health care rates charged to departments will increase 8% to \$14,180 (full time) while the miscellaneous rate will remain at 1.4%. After average increases of less than 2% since 2013, this increase is necessary in order to cover increased health care/Rx costs.

Also, in your budget planning, please use a preliminary figure of \$15,315 for fiscal year 2018-19 (an **additional** 8% increase) rather than the 5% increase normally used for planning. The actual increase may be higher or lower, but will not be determined until June 2018.

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)	\$14,180	7.65%	10%	1.4%
Faculty/Staff - 75% time	\$10,635	7.65%	10%	1.4%
Faculty/Staff - 50% time	\$7,090	7.65%	10%	1.4%
Research Associates	\$7,031	7.65%	(note 5)	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$10,842	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$8,132	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$5,421	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 (\$127,200 for calendar year 2017), 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 2017-18 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>