

MICHIGAN STATE UNIVERSITY

May 29, 2018

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: Gregory J. Deppong, Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR FISCAL YEAR 2018-19

Below are the specific identification (SI) fringe benefit charges that will be effective for payrolls after July 6, 2018. The SI health care rates charged to departments will increase 3% to \$14,605 (full time), while the miscellaneous rate will remain at 1.4%. The SI increase is less than the projection outlined in the June 2017 memo as a result of the University's success in keeping health care cost increases to a moderate level.

For your budget planning, please use a preliminary figure of \$15,335 (5% increase) for fiscal year 2019-20. The actual rate will be determined at this time next year.

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)	\$14,605	7.65%	10%	1.4%
Faculty/Staff - 75% time	\$10,954	7.65%	10%	1.4%
Faculty/Staff - 50% time	\$7,303	7.65%	10%	1.4%
Research Associates	\$7,242	7.65%	(note 5)	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$11,313	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$8,485	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$5,657	7.65%	n/a	1.4%
Temporary/on-call - less than 50%	\$0	7.65%	n/a	n/a

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 (\$128,400 for calendar year 2018), 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 2018-19 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>



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