

# MICHIGAN STATE UNIVERSITY

April 7, 2022

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: Gregory J. Deppong, Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR FISCAL YEAR 2022-23

Below are the specific identification (SI) fringe benefit charges that will be in effect for fiscal year 2022-23 (beginning with payrolls after July 2, 2022). The SI health care charge to departments will increase from \$14,710 to \$15,480 (full-time). This increase represents a return to the pre-pandemic amount and is in line with projected FY2022-23 health care cost increases. The miscellaneous rate will remain at 1.4%.

Looking ahead to fiscal year 2023-24, for your budget planning, please use a preliminary figure of \$16,254 (5% increase) for the fiscal year 2023-24 SI health care charge. This projected increase is based on the historical trend of health care cost increases. However, the actual rate will be determined at this time next year based on prior year actual experience.

Please contact Lauren Knoch in the Controller's Office at [kaiserl3@msu.edu](mailto:kaiserl3@msu.edu) if you have any questions.



## OFFICE OF THE CONTROLLER

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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)	\$15,480	7.65%	5%/10%	1.4%
Faculty/Staff - 75% time	\$11,610	7.65%	5%/10%	1.4%
Faculty/Staff - 50% time	\$7,740	7.65%	5%/10%	1.4%
Research Associates	\$7,677	7.65%	(note 5)	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$11,936	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$8,952	7.65%	n/a	1.4%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$5,968	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 (\$147,000 for calendar year 2022), Medicare @ 1.45% on all earnings types.
- 3) Retirement on base wages and others per labor contracts. Charged on all PARTICIPATING employees. The charge follows the university matching contribution percentages outlined on HR's website. Please visit their [403\(B\) Base Retirement Program](#) page for more information.
- 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 2022-23 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. If these employees were previously enrolled in a contributory retirement program before their appointment or if they are age 55 or older upon appointment, they may elect immediate participation in the University's retirement plan, with the University contribution. Please visit the [Faculty Handbook](#) for further guidance.