



MEMORANDUM

To: Deans, Directors, and Department Chairs
UNC Department Business Managers
Research Administration Support Group
From: Brian Bertlshofer BJB
Director, Cost Analysis & Compliance
Office of Sponsored Programs
Date: 3/5/2024
Subject: Budgeting Fringe Benefits and Fixed Health Insurance Rates – FY 2024

The FY 2024 fringe benefits budgeting guidelines for sponsored agreements (see previous memorandum dated 12/15/2023) have been updated to reflect the calendar year changes to the following categories: Fixed Health Insurance for UNC Faculty and Physicians (FP) Practice Plan members, Social Security (OASDI) Maximum Taxable Salary Base and Maximum Contribution, and Compensation Limits Subject to Retirement (TSERS & ORP). Refer to the attached rate schedules to appropriately determine personnel benefits in proposals.

Effective January 1, 2024, the composite permanent employee fringe benefit rate will no longer be accepted and the use of one of the following three fringe benefit rates will be required for budgeting purposes on all sponsored project proposals:

Table with 2 columns: Category and Rate. Rows include Faculty - TSERS (34.510%), Faculty - ORP (23.580%), and SHRA/EHRA Non-Faculty (36.910%).

The fringe benefit rate change is for estimating fringe benefit costs in sponsored project budgets and does not change how actual fringe benefit costs are charged in ConnectCarolina. The calculation of estimated fringe benefit costs for Post-Doctoral, Graduate and Undergraduate Students does not change.

Budgeting Fringe Benefits and Fixed Health Insurance Rates – FY 2024

The fringe benefit and health insurance amounts require separate calculations to incorporate them into a proposal. The variable rate of fringe benefits is applied to an employee’s proposed salary amount. The amount of fixed health insurance is calculated by including the prorated amount of insurance based on the proposed salary level. These two calculations are combined to determine the total amount to include in a sponsored project’s budget.

Schedule I provides the finalized rates for permanent employees, post-doctoral appointees, and graduate students.

Table with 3 columns: Category, Fringe Benefit Rate, and Fixed Health Insurance. Rows include Faculty - TSERS, Faculty - ORP, SHRA/EHRA Non-Faculty, Post-Doctoral Appointee, Graduate Students, Graduate Students (with FICA exemption), and Undergraduate Students (with FICA exemption).

**Schedule II** lists supplemental fixed health insurance and fringe benefits rates applicable to UNC Faculty and Physicians (FP) Practice Plan members only. This amount is in addition to the rates included in Schedule I.

<b>SCHEDULE II</b>	<b>Fringe Benefit Rate</b>	<b>Fixed Health Insurance</b>
FP Member - Permanent Employee	4.747%	\$2,782.56

**Example:** F&P Practice Plan member benefits under **ORP** calculation would include both schedules, 28.327% (Schedule I Faculty – ORP 23.580% + Schedule II 4.747%) + \$10,339.56 (Schedule I \$7,557.00 + Schedule II \$2,782.56).

**Example:** F&P Practice Plan member benefits under **TSERS** calculation would include both schedules, 39.257% (Schedule I Faculty – TSERS 34.510% + Schedule II 4.747%) + \$10,339.56 (Schedule I \$7,557.00 + Schedule II \$2,782.56).

A detailed breakdown of Schedules I and II are available online at

<https://research.unc.edu/wp-content/uploads/sites/61/2021/02/osr-CY-2021-Schedule-I-II-01-27-21.pdf>

Fringe Benefit and Health Insurance rates are available on the OSP website and at

<http://research.unc.edu/sponsored-research/resources/information-sheet/#info8>

Please contact your department's assigned OSP Sponsored Projects Specialist with questions on applying these rates on sponsored projects. For all other general questions, please contact Brian Bertlshofer at (919) 843-4891 ([bertlsbj@email.unc.edu](mailto:bertlsbj@email.unc.edu)).