

# FRINGE BENEFIT DETAILS for Proposal Preparation

Updated for FY2010

When preparing a sponsored project proposal budget, calculations for the sponsor's contribution to employee fringe benefits should be computed using the following information. UMCES does not have a "fringe benefit rate" and Grant/Contract accounts will be charged actual amounts. Any deficit occurring as a result of underestimating these benefits must be covered by transfers from other budget categories in the Grant/Contract. If an overall rate (i.e. 35%) is used in the proposed budget, it should always be expressed as an estimated rate.

## Retirement: (Rates effective FY10)

Employee's Retirement or Pension System	9.93% x annual base salary
Teacher's Retirement or Pension System	13.15% x annual base salary
TIAA-CREF/AIG/Fidelity	7.25% x annual base salary

## Social Security and Medicare Tax:

Contributions are based on the calendar year salary.

Effective 2010 - 7.65% of the first \$106,800 *including* Medicare portion of tax, 1.45%. (Maximum contribution on first \$106,800 is \$8,170.20. Over \$106,800 will contribute \$8,170.20 plus 1.45% for the Medicare tax on every taxable dollar over \$106,800.)

**Medicare Tax:** 1.45% for the Medicare tax on every taxable dollar over \$106,800

**Unemployment Compensation:** Effective 2010 - 0.1% of salary.

## Health Benefits:

There are currently many options available for hospitalization benefits. Where possible, the actual UMCES costs should be computed for each employee enrolled. The plan selected by each employee can be determined from the hospitalization card issued to the employee or by contacting Suzanne Crawford, Employment and Benefits Manager at 410-221-2017 or [crawford@umces.edu](mailto:crawford@umces.edu). Where it is not possible to determine the actual costs, one should budget for the highest option.

Health Benefit Costs as of July 1, 2009<sup>1</sup>  
(Including FY10 35% Surcharge)<sup>2</sup>

	Monthly	Annually
Employee only	\$621 - \$697	\$7,448 - \$8,364
Employee and one family member	\$1,091 - \$1,246	\$13,082 - \$14,957
Employee and two or more family members	\$1,380 - \$1,547	\$17,557 - \$19,853

<sup>1</sup>Costs include health, dental and prescription plans.

<sup>2</sup>Full surcharge for those enrolled in retirement/pension program. Surcharge is 17.5% if enrolled in TIAA/AIG/Fidelity and 0% if not in any retirement program (e.g. RGA's)

**Tuition Remission (does not cover fees):**

Full-time Permanent Employees

- Undergraduate
  - September 2009-May 2010: No more than 2 courses, not to exceed 8 credits per semester @ \$273 per credit hour.
  - Summer 2009: Not to exceed 6 credits for all summer sessions @ \$273 per credit hour.
- Graduate
  - September 2009-May 2010: No more than 2 courses, not to exceed 8 credits per semester @ \$471 per credit hour.
  - Summer 2009: Not to exceed 6 credits for all summer sessions @ \$471 per credit hour.

Part-time Permanent Employees - *proportional to percentage of service (must be at least 50%)*

Full-time Research Graduate Assistants = 50%FTE

Up to 10 credits per semester, four (4) summer @ \$471 per credit hour (max of 24 - \$11,304).

Part-time Research Graduate Assistants at least 25%FTE

Credits are pro-rated to what full-time RGA's are entitled.

NOTE: These tuition benefits for RGA's are based on those that apply to UMCES RGA's who are registered with College Park. This benefit varies by institution.

See Board of Regents Policy [VII-4.10\(A\)](#).

Remember that when budgeting for contingent/contractual employees and/or faculty research assistants, different categories provide for different levels of salary augmentation for the employer's portion of some of these benefits.

A reference chart of applicable fringe estimates by employee type follows on page 3.

As not every fringe benefit is available to every employee classification, reference the chart below to determine applicability for the different groups. The last column contains a formula for projecting a reasonable estimate.

Type of Employee	State Retmnt	TIAA	Health Insurance	Social Security	Unemployment	Estimate may be computed by using...
Faculty 12 mos.	X	-	X	X	X	(21% x Salary) + Hospitalization + Tuition
Faculty 12 mos.	-	X	X	X	X	(18% x Salary) + Hospitalization + Tuition
Permanent Non-Exempt "Classified" > 50%	X	-	X	X	X	(18% x Salary) + Hospitalization + Tuition
Exempt "Associate Staff" ≥ 50% (Option a)	X	-	X	X	X	(18% x Salary) + Hospitalization + Tuition
Exempt "Associate Staff" ≥ 50% (Option b)	-	X	X	X	X	(18% x Salary) + Hospitalization and Tuition
Permanent Part-Time ≥ 50%	X	-	X	X	X	(18% x Salary) + Hospitalization + Tuition
Permanent Part-Time or Hrly. < 50%	-	-	-	X	X	8% x Salary
Research Grad Assistants 12 mos.	-	-	X	-	-	100%(Hospitalization + Tuition)
Undergraduate including Summer if attending classes	-	-	-	-	-	None
Undergraduate	-	-	-	X	X	8% x Salary