

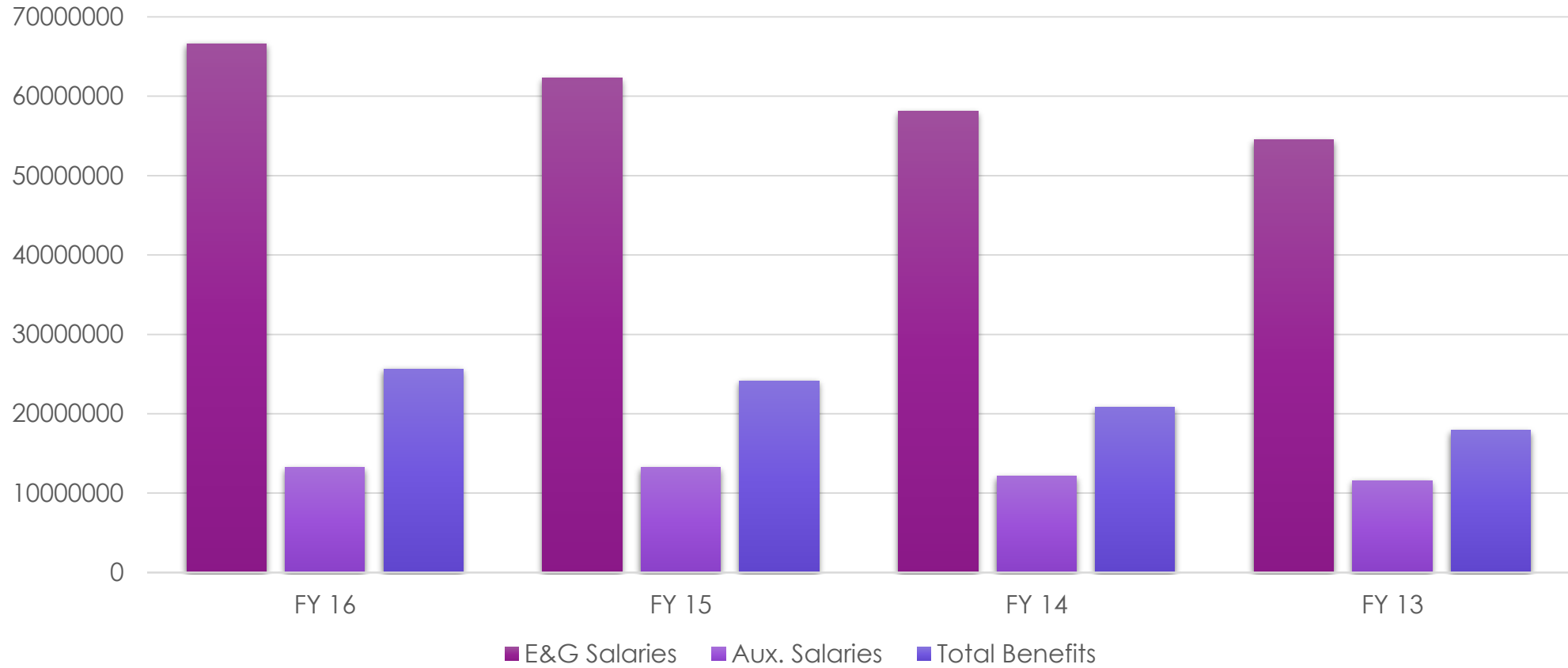
Budgeting for Benefits

How to achieve accurate estimates

A Basic Overview of Fringe Benefits

- While there will never be an exact measure for fringe costs, we base our percentages on historical data to come up with an average rate.
 - Fringe costs include: Health, Retirement, Social Security, Life Insurance and Disability
 - Depending on which fund type the employee is getting paid from, your department will be directly responsible for either **all**, **some** or **none** of the fringe costs.
 - All fringe costs are charged to the 6300 (Employer's Contribution) pool, EXCEPT for OPS benefits.
 - OPS benefits are part of the normal 6200 (Temporary Employment) pool.
- We estimate benefit costs as a percentage of total salary.

Salary & Fringe Costs Over the Years



E&G Funded Positions

Employee Type	%	Benefits Associated
Salaried Employees	33%	All elected costs
OPS Hourly Employees	7.65%	FICA, plus any health/retirement elections
Adjuncts/Overload	1.45%	Medicare
Summer Faculty	18.1%	FICA & Retirement

- Salaried E&G Employees' benefits are paid out of a University Central Benefits account, hence why you do not see it within your own department budget.
 - Your department does pay the cost, it is just taken off the top of your budget prior to it being loaded at the departmental level on July 1st.
- OPS & Adjuncts benefits are part of the 6200 pool and you **MUST** budget for those costs out of your own department budget.

Auxiliary Funded Positions

Employee Type	%
Salaried Employees	Total Salary < \$40,000, use 45% \$40K ≤ Total Salary ≤ \$60k, use 35% Total Salary > \$60k, use 31%
OPS Employees	7.65%
Adjuncts	1.45%

- Department is responsible for 100% of **ALL** fringe benefit costs.
- The percentage rate differs depending on total annual salary amounts.
- Use these percentage estimates for Athletics & Housing positions too.