Fringe Benefit Rates

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UCSF policy is to use the most accurate benefit rates for budgeting on sponsored proposals. Allowable fringe benefits consist of employer contributions such as to health plans, insurance plans, social security, and retirement plans. All rates are expressed as a percentage of salaries. Therefore, to calculate fringe benefit costs, multiply the salary by the applicable benefit rate.

At the time of award, UCSF charges the actual cost of fringe benefits for each employee as related to the salary and wages charged for that employee. The actual cost is applied per salary irrespective of fund source.

Average Fringe Benefit Rates

Our published average fringe benefit rates are average rates of the actual fringe benefits charged for employees at UCSF (See chart below).

Due to the stepped resumption of employer contributions to the UCRP, average fringe benefit rates must be escalated from year to year in multiyear budgets. Therefore, if a proposal budget spans two UC fiscal years (e.g., 10/1/13 ? 9/30/14), a combination of the two the benefit rates should be used in the proposal.

For example, a proposal budget with the duration of 10/1/13 ? 9/30/14 for academic personnel:

- October 1, 2013 ? June 30, 2014: 31%
- July 1, 2014 ? September 30, 2015: 33.72%

Alternatives to Use of the Average Fringe Benefit Rates

Under special circumstances, the use of the average fringe benefit rate may understate or overstate the actual costs for employee benefits (e.g., a proposal in which the majority of personnel budgeted are part-time and are eligible for full benefits). In those unique situations where certain personnel may have a significantly higher or lower fringe benefit rate than the average or when a more precise measurement of fringe benefit costs is desirable, the cost of the actual fringe benefits for a proposed employee may be used in the budget rather than the average rates.

To identify the actual fringe rate for a given individual, take the average of the actual fringe benefits that were posted to the General Ledger going back to the month of January or July (whichever is more recent) as the base. Be sure to exclude any vacation leave assessment. Due to the stepped resumption of employer contributions to the UCRP, actual fringe benefit
rates must also be escalated from year to year in multiyear budgets. The UCRP Employer Contribution rates appear in the table below. When estimating costs using actual fringe benefit rates, remember that an individual's actual fringe benefit rate already includes the applicable UCRP Employer Contribution rate. To escalate an individual's fringe benefit rate for future years, determine the actual fringe benefit rate and then add the difference between the current UCRP Employer Contribution rate and applicable future UCRP Employer Contribution rate to the actual fringe benefit rate.

For example, if an individual's actual fringe benefit rate is 34.7% based on data from January to June 2012 (when employer contributions were 10%) and they will work on a two year project beginning July 1, 2013, the applicable fringe benefit rates for budgeting purposes will be:

- **July 1, 2013 ? June 30, 2014**: 36.7% (34.7% + [12.0% - 10.0%])
- **July 1, 2014 ? June 30, 2015**: 38.7% (34.7% + [14.0% - 10.0%])

### AVERAGE FRINGE BENEFIT RATES

<table>
<thead>
<tr>
<th></th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/2013-06/30/2014</td>
<td>07/01/2014-06/30/2015</td>
<td>07/01/2015-06/30/2016</td>
<td>07/01/2016-06/30/2017</td>
<td>07/01/2017-06/30/2018</td>
</tr>
<tr>
<td><strong>Academic Personnel</strong></td>
<td>31.0%</td>
<td>33.72%</td>
<td>33.80%</td>
<td>33.90%</td>
<td></td>
</tr>
<tr>
<td><strong>Staff Personnel ? Career</strong></td>
<td>39%</td>
<td>41.72%</td>
<td>41.80%</td>
<td>41.90%</td>
<td></td>
</tr>
<tr>
<td><strong>Visiting Academic Titles</strong></td>
<td>13.0%</td>
<td>13.0%</td>
<td>13.0%</td>
<td>13.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Staff Personnel ? Casual with Core Benefits</strong></td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td>(Working more than 17.5 hrs./wk., excluding: Students in casual restricted jobs or an academic title designated as student assistant; per diem, by agreement, and stipend only employees; and initial appointment of temporary for less than 3 months)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>(UCRP) Retirement Contribution</td>
<td>Health Plan Contribution</td>
<td>Social Security (FICA)</td>
<td>Medicare</td>
<td>Dental Plan</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>---------------------------------</td>
<td>--------------------------</td>
<td>------------------------</td>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>Staff Personnel ? Casual Without Core Benefits</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
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</tr>
<tr>
<td>Graduate Students ? Academic Year</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Graduate Students ? Summer</td>
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<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Postdoctoral Fellow</td>
<td>23.0%</td>
<td>23.0%</td>
<td>23.0%</td>
<td>23.0%</td>
<td>23.0%</td>
</tr>
</tbody>
</table>

* In addition, for graduate students with eligible titles who work 25% or more per quarter, budget the cost of fee remission including Graduate Student Health Insurance in the ?Other Expenses? category using the rates listed at https://registrar.ucsf.edu/registration/fees/graddiv. The full policy on fee remission can be found at: https://graduate.ucsf.edu/employment. Please note that tuition remission is not allowable under this policy.

**Fringe Benefits ? Components of Average Rates:**

- (UCRP) Retirement Contribution
  - Health Plan Contribution
  - Social Security (FICA)
  - Medicare
  - Dental Plan
Use of Fringe Benefit Rates

Each proposal must be consistent in the method used to calculate fringe benefit rates. However, even if actual rates are used, the average fringe benefit rates listed above should be used for "to be named" positions (defined below) or when an employee's actual fringe benefit rate is not known (e.g., budgeting fringe benefits for a new employee).

"To Be Named" Positions

A "to be named" position is a position or role on a project where the person who will undertake the responsibilities and activities of that position or role is not known at the time of budget preparation. Even if actual fringe benefit rates are used to calculate the costs for all other personnel, use the appropriate average fringe benefit rate listed above for the "to be named" position. Disclose the average fringe benefit rate used in the budget justification and explain the deviation from use of actual fringe benefit rates.

At the time of award, UCSF policy is to charge actual fringe benefit rates regardless of whether average or actual fringe benefits were used in preparing the proposal.

Vacation Leave Assessment

In January 2011 UCSF implemented the vacation leave assessment accounting for all funding sources including sponsored projects. This consistent treatment of costs allows us to be in
compliance with our Cost Accounting Standards Board? Disclosure Statement (DS-2). This change, however, has **no impact or change to budget proposals submitted to sponsors** who expect to fund the same amount of salary and benefits. When vacation is earned, a vacation leave assessment expense will be recorded on the funds, including sponsored projects, from which the employee is paid. When vacation is used, an offsetting leave usage credit will then be recorded on the funds from which the employee is paid at the time the vacation was taken.

*(Updated September 2014)*