

TO: All Research Faculty and Administrative Staff

FROM: Laura Scarantino, Acting Assistant Vice President  
 Sponsored Projects Accounting and Compliance

DATE: January 24, 2018

RE: **Mid-Year Change of Faculty, Staff and Limited Benefit Fringe Rate**

The fringe benefit rate for all Faculty, Staff and Limited Benefit employees will be changed effective 01/21/2018 through the end of fiscal Year 2018. This change is necessary in order to offset the surplus which we are anticipating in FY18.

Last year at this time the State's budget assumptions were a 6% increase in Health Insurance and Post-Retirement Health from FY 2017 to FY 2018. After seeing the new costs effective with the January 1, 2018 employee benefit elections and the results of recent negotiations with the labor unions, the cost of these items is actually projecting a 6% and 24% decrease respectively from FY 2017 to FY 2018. In an effort to minimize the resulting surplus in FY18, we will start charging fringe benefits as of 01/21/18 as indicated below.

Our rate agreement has not changed, although our cognizant agency has been notified of our decision to charge less than our negotiated rate for the remainder of this year. For proposal purposes, use the FY19 planning rates which have been released on the Cost website.

The applicable changes are detailed below:

	<b>Apply to Accounts</b>	<b>FY18 18-01 to 18-15 07/01/17 to 01/20/18</b>	<b>FY18 18-16 to 18-27 01/21/18 to 06/30/18</b>	<b>Costs Recorded in Account</b>
Faculty	1011 – Faculty 9/10 Month 1012 – Faculty 12 Month	27.1%	24.5%	2790 - Fringe Rate Faculty
Staff	1013 – Exempt Staff 1014 – Non Exempt Staff	43.4%	33.5%	2791 - Fringe Rate Staff
Limited Benefit	1021 – Post Docs/Fellows 2090 – Contractual Employee (C2)(FY16+)	21.4%	16.2%	2792 – Fringe Rate Limited Benefit

The fringe benefit rate chart has been updated on the Cost website and can be viewed via the link below:

<http://www.umaryland.edu/cost/fringe-benefit/>

A budget amendment will be processed by Budget and Financial Analysis to adjust the State budgets accordingly as the State will be reducing health funding to UMB.

If you have any questions, please contact Beryl Gwan, Manager, Costing and Compliance at 410-706-2909 or [bgwan@umaryland.edu](mailto:bgwan@umaryland.edu).