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To: School of Medicine Business Managers
Danforth Schools Business Managers

From: Tyler Schrader

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Subject: FY24 Budgeted Fringe Rates

Below are the budgeted FY24 fringe rates that will be charged to departments. The FY23 approved rates are also shown below for comparison purposes. The FY24 budgeted fringe rates will be submitted to the Department of Health and Human Services (DHHS) for approval. The final approved rates will be communicated when received.

The academic/staff rate has changed by a larger than typical increase of 2.8%. This is a result of several large contributing factors, including rising health costs as well as the recoupment of a significant corrective retirement contribution that occurred in FY22. In addition, the rate reflects an upcoming change to the retirement plan. More communication will be forthcoming from Human Resources on that change.

For your convenience below is a recap of the fringe rate methodology. This is consistent with the change implemented for FY22.

- The rates cover the following fringe related costs: FICA, Retirement, Health & Other and Dependent Tuition and Other Federally Unallowable Fringe Costs. Employee types are grouped together based on similarity of eligible benefits and the rate reflects estimated costs over the estimated eligible pooled salary base.
- The fringe charge for all academic and staff employees (both full-time and part-time) is capped at \$200,000 of an individual's base earnings. No fringes will be charged on amounts over \$200,000 in base earnings. The fringe cap is applied on a calendar year-to-date earnings. This cap threshold may be subject to change in future years.
- Supplemental Pay, which is pay that is not included in an individual's Base Earnings (i.e. Bonus, On-Call), is only subject to a reduced FICA-only fringe rate.

Fiscal 2024 Budgeted Fringe Rates

	Federal or Non-Federal Sourcing		Additional ¹ for Non-Federal Sourcing
	Base Pay Up to \$200,000	Supplemental Pay (No Limit)	Base Pay Up to \$200,000
Academic/Staff (All Full-time and Part-time)	31.8%	4.0%	2.7%
Post Doc Employees	22.6%	4.0%	n/a
Clinical Fellow Employees	21.8%	4.0%	n/a
Post Doc Non-Employees (Stipends)	1.6%	4.0%	n/a
Clinical Fellow Non-Employees (Stipends)	0.8%	4.0%	n/a

¹This rate will get charged in addition to the 31.8% rate where an employee is sourced to non-federal funding.

Fiscal 2023 Fringe Rates

	Federal or Non-Federal Sourcing		Additional ¹ for Non-Federal Sourcing
	Base Pay Up to \$200,000	Supplemental Pay (No Limit)	Base Pay Up to \$200,000
Academic/Staff (All Full-time and Part-time)	29.0%	4.0%	2.7%
Post Doc Employees	21.5%	4.0%	n/a
Clinical Fellow Employees	20.6%	4.0%	n/a
Post Doc Non-Employees (Stipends)	1.6%	4.0%	n/a
Clinical Fellow Non-Employees (Stipends)	0.7%	4.0%	n/a