

TO: All Finance Users

FROM: David L. Murphy, Budget Director

DATE: July 24, 2007

SUBJECT: Update on Fringe Benefit Rate Changes

Below is the latest information we have on the FY2008 fringe benefit charges. This is an update to the "Fringe Benefit Rate Changes" memo sent to all Finance Users on June 29, 2007. That memo and this one are posted to the Budget Office website – [UMass Amherst - Budget Office](#)

WHAT'S NEW:

Although not final – the revised rate for the Blended UI UHI FedMedER rate is 1.33% (not the 1.34% originally proposed).

The Blended UI UHI FedMedER is being charged starting with the first full FY2008 Pay Period which begins July 8, 2007. It was not charged for the FY2008 week of the split fiscal year pay period (*Split fiscal year pay period is June 24, 2007 to July 7, 2007; June 24 to June 30 is FY2007, July 1 to July 7 is FY2008*).

The FY2007 campus rates for Unemployment (0.35%) and Universal Health (0.03%) were charged for the FY2008 week in the split fiscal year pay period. These will not be charged once the Blended UI UHI FedMedER rate is charged.

The FY2008 campus workers' compensation rate of 0.4% was charged for the FY2008 week in the split fiscal year pay period. This will continue to be charged once the Blended UI UHI FedMedER rate is charged.

Because of UITS programming time constraints the Blended UI UHI FedMedER will not be charged to state department Chart Field Strings (CFSs) at this time. The Blended UI UHI FedMedER for state funded payroll will instead post to a central campus CFS. This is a temporary change and we expect that the state department CFSs will be charged at a later date.

Health and Welfare charges are expected to increase during FY2008. The amount charged is based on collective bargaining agreements. Current rates are \$12.00/week per FTE (IBPO \$11.00 per week). Those rates were set effective 1/1/2006. It is expected that during FY2008 these rates will increase by \$1.00 (\$2.00 for IBPO).

We still have not yet received approval for the new Sick Leave Bank fringe charge. We will keep you updated as to when this charge will go into effect.

FY2008 CHARGES

SPLIT PAY PERIOD – CHARGES FOR JULY 1, 2007 TO JULY 7, 2007

Fringe	Rate	Posted to State Fund	Posted to Non-State Funds
GIC / Retirement / Terminal Leave	31.28%	No	Yes
Blended UI UHI FedMedER	1.33%	No	No
Campus Rate for Workers' Compensation	0.40%	Yes	Yes
Campus Rate for Unemployment	0.35%	Yes	Yes
Campus Rate for Universal Health	0.03%	Yes	Yes
Medicare	1.45%	No	Yes

CHARGES EFFECTIVE JULY 8, 2007

Fringe	Rate	Rate is Final	Posted to State Funds	Posted to Non-State Funds
GIC / Retirement / Terminal Leave	31.28%	No	No	Yes
Blended UI UHI FedMedER	1.33%	No	No (<i>intent is to charge once programming is finalized</i>)	Yes
Campus Rate for Workers' Compensation	0.40%	Yes	Yes	Yes