



Menu



Employee Fringe Benefits

[Fringe Benefit Costs](#)

[Employee Fringe Benefit Rates](#)

[Employer Contribution to the UCRP](#)

[Employee Benefit Projections – Composite Fringe Benefit Rates for "To Be Named" Positions](#)

[Employee Composite Benefit Rate Projections](#)

Fringe Benefit Costs

Proposal budgets requesting project personnel salaries and wages must also request the fringe benefit costs associated with the salaries and wages. Fringe benefit rates are expressed as a percent of salaries. Therefore, to calculate fringe benefit costs, multiply the salary by the applicable benefit rate.

Example: The fringe benefit costs on \$25,475 of salary for an individual with a fringe benefit rate of 34.7% is \$8,840 (rounded to the nearest dollar).

Employee Fringe Benefit Rates

It is UCI's practice to use composite or actual fringe benefit rates when estimating fringe benefit costs in extramural proposal budgets. It is also important to remember that with the resumption of the employer contribution to the UC Retirement Plan (UCRP), the cost of [fringe benefits](#) will increase over time. Please refer to the Employer Contribution to UCRP section below for additional information.

Employer Contribution to UCRP

Due to the resumption of employer contributions to the UCRP, actual fringe benefit rates must 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, please 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 – June 2014 and they

will work on a two year project beginning July 1, 2015, the applicable fringe benefit rates for budgeting purposes will be:

July 1, 2015 – June 30, 2016: 36.85% (34.7% + [14.8% - 12.65%])

July 1, 2016 – June 30, 2017: 36.95% (34.7% + [14.9% - 12.65%])

Table 1: UCRP Employer Contribution Rates	
Effective Date	UCRP Employer Contribution – Approved Rates
July 1, 2011	7.7%
July 1, 2012	10.63%
July 1, 2013	12.65%
July 1, 2014	14.72%
	Prospective Rates for Budgeting Purposes
July 1, 2015	14.8%
July 1, 2016	14.9%
July 1, 2017	15.15%
July 1, 2018 and beyond	15.35%

Employee Benefit Projections - Composite Fringe Benefit Rates for "To Be Named" Positions

The composite fringe benefit rates listed below are used for estimating fringe benefit costs in extramural proposal budgets when it is not known who will fill a particular position on the proposed project ("to be named" position). These

composite rates may also be used for newly hired employees who have not established a sufficient payroll history for the purpose of determining their actual fringe benefit rate. Please note that the below composite fringe benefit rates include the Employer Contribution to UC Retirement Plan. Be sure to describe in the budget justification the composite rate(s) used and the reason for their use. Sometimes it is necessary to provide a sponsor with detailed background information for the composite rates. In such cases, please contact the Contract and Grant Officer assigned to your unit to request this information.

Employee Composite Benefit Rate Projections

The following table summarizes applicable composite employee benefit rates.

Table 2 - Composite Employee Benefit Rates		
Employee Classification	Rate	Comments
Academic Personnel	27.63%	7/1/12 – 6/30/13
	29.65%	7/1/13 – 6/30/14
	32.0%	7/1/14 – 6/30/15
	33.8%	7/1/15 – 6/30/16
	36.1%	7/1/16 - 6/30/17
	36.1%	7/1/17 and beyond
Visiting Academic Titles 50-100%	7.3%	
Summer Employment, 9 Month Academic Personnel	12.7%	Exclude FICA if not coordinated ¹

Staff Personnel – Career	32.63%	7/1/12 – 6/30/13
	34.65%	7/1/13 – 6/30/14
	37.0%	7/1/14 – 6/30/15
	38.8%	7/1/15 – 6/30/16
	41.1%	7/1/16 - 6/30/17
	41.1%	7/1/17 and beyond
<p>Staff Personnel - Limited Career with Core Benefits</p> <p>(working more than 17.5 hours/week, excluding students in casual restricted jobs or an academic title designated as student assistant; per diem, by agreement, and stipend only employees; and employees with an initial appointment of temporary for less than three months)</p>	4.4%	Plus 6.2% OASDI when applicable ²
<p>Staff Personnel - Limited Career without core Benefits</p> <p>(working less than 17.5 hours/week and agreement, stipend only, per diem, and temporary employees)</p>	3.5%	Plus 6.2% OASDI when applicable ²
<p>Undergraduate and Graduate Students, Academic Year</p> <p>(Workers' Comp. only)</p>	1.3% ³	<p>Plus incentive assessment if non-academic job classification⁴</p> <p>Plus graduate student fee and tuition remission if applicable⁵</p>

Undergraduate and Graduate Students, Summer (Workers' Comp., UI and Medicare)	3.0% ²	Plus incentive assessment if non-academic job classification ⁴
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¹ FICA (Federal Insurance Contributions Act) is a two-part tax consisting of Social Security (6.2%) and Medicare (1.45%).

² Persons selecting the Defined Contribution Plan (DCP) option and all new hires and rehires after October 19, 1992, are not eligible for Old Age, Survivors, Dependents Insurance (OASDI). Newly hired or rehired per diem, limited career, housestaff, and other temporary employees excluded from membership in the University retirement program are automatically enrolled in the Defined Contribution Plan (DCP) and may no longer elect OASDI. Therefore, the OASDI portion of Social Security should only be added to the projected fringe benefit rates for current employees who elected OASDI during the period when it was available.

³ Student Salaries: Student salaries should also be charged for unemployment insurance and the Medicare portion of FICA during the summer (on the assumption that the student will be working more than 50% time). Student employees who have non-academic pay titles are eligible for incentive awards, in which case the 0.5% assessment should also be added.

⁴ Inclusion of Incentive Award Assessment: The composite rates for non-academic pay titles include a 0.5% Incentive Award Assessment. University policy requires that all funds (including sponsored projects funds) supporting regular salary payments to non-academic employees eligible for incentive awards be assessed a standard amount, currently projected at 0.5%. The assessment will be charged to a benefit expense object code. When incentive award payments are paid to individual employees, the payment will be made as taxable salary from the sponsored project account/fund; funds sufficient to cover the incentive award salary and associated fringe benefits will be transferred from the Incentive Award Assessment Pool to the sponsored project account/fund. The incentive award program portion of the salary is budgeted and charged to each fund source as a fringe benefit.

⁵ Graduate Student Fee and Tuition Remission costs are budgeted as part of the total fringe benefit cost for those students eligible for fee and tuition remission. For more information, visit the [Graduate Student Fees and Tuition Remission page](#).



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University of California, Irvine
Office of Research
5171 California, Suite 150
Irvine, CA 92697



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