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FINANCIAL SERVICES
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MEMORANDUM

To: Distribution

From: Jim Luther 

Date: May 15, 2008

Re: Fringe Benefit Rates

The Department of Health and Human Services (DHHS) has now formally approved our federal fringe benefit rates for FY09. The negotiated rates for FY09 and the projections through FY11 are summarized below. These fringe benefit rates should be used for budgeting and long range planning purposes, as well as when preparing grant applications that cross fiscal years.

The FY10 and FY11 rates are preliminary and are likely to change based on the fall fringe benefit rate analysis and projection process. Please note that the FY10 rates have changed since the December 3, 2007 preliminary rate announcement. The changes are caused by a projected over-recovery in FY08 that will impact the FY10 rates. The FY08 carry-forward is generated by a combination of favorable variances in the Health Care plans and adjustments to actuarial liabilities.

	Monthly <u>Staff</u>	House <u>Staff</u>	Hourly <u>Staff</u>	<u>Students</u>	PhD <u>Students</u>
FY 08/09 Budget Non-Federal	22.9%	14.1%	17.4%	7.7%	5.8%
FY 08/09 Budget Federal	21.0%	14.1%	16.5%	7.7%	5.8%
FY 09/10 Projected Non-Federal	23.2%	14.9%	18.8%	7.7%	6.1%
FY 09/10 Projected Federal	21.2%	14.9%	17.9%	7.7%	6.1%
FY 10/11 Projected Non-Federal	23.3%	17.3%	21.4%	7.7%	5.9%
FY 10/11 Projected Federal	21.4%	17.3%	20.2%	7.7%	5.9%

Note:

- 1) The "Federal" rates will be used for federal grants and contracts, Durham Regional Hospital, Duke Raleigh Hospital, Associated Health System (AHS), and Davis Ambulatory Surgical Center (DASC). The differentiation between Federal and Non-Federal reflects elimination of participation and reimbursement of the Children's Tuition Grant benefit program for the aforementioned entities.
- 2) The "Non-Federal" rates will be used for all other entities including non-federal grants, contracts, departments, etc.

Please distribute this information as appropriate.

Copy: Tallman Trask III, Clint Davidson, Hof Milam

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