

FY '07 ESTIMATED EMPLOYEE FRINGE BENEFIT COMPONENTS REVISED SEPTEMBER 2006

When the University pays salaries or wages to regular employees, it must also make associated fringe benefit payments. Fringe Benefits include the following:

Employee Type	Benefit Replacement Pay (BRP) Eligible Employees					Employees Not Eligible for BRP			
	Regular Faculty and Staff including Adjunct Faculty at 50% or more FTE		Salaried Graduate students ¹	Hourly Student employees	Non-Students: Hourly and other salaried appointments ²	Regular Faculty and Staff	Salaried Graduate Students ¹	Hourly Student employees	Non-Students: Hourly and other salaried appointments ²
Retirement Plan	TRS	ORP	N/A	N/A	N/A	TRS or ORP	N/A	N/A	N/A
Employee Retirement Plan Contribution	6.0%	8.5%	N/A	N/A	N/A	6.0%	N/A	N/A	N/A
FICA - UNT employer portion on wages to \$ 87,900 for 2004	7.65%	7.65%	0% or 7.65% ³	0% or 7.65% ³	7.65%	7.65%	0% or 7.65% ³	0% or 7.65% ³	7.65%
Benefit Replacement Pay (BRP) see explanation on page 2	6.25% max. \$1031.25	6.2667381% max. \$1034.01	5.85% max. \$965.25	5.85% max. \$965.25	5.85% max. \$965.25	N/A	N/A	N/A	N/A
Texas Unemployment Compensation & Worker's Compensation	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Total estimated fringe benefits	21.9% + Insurance	24.5% + Insurance	7.85% or 15.5% + Insurance	7.85% or 15.5%	15.5%	15.65% + Insurance	2.0% or 9.65% + Insurance	2.0% or 9.65%	9.65%

¹ Position must require graduate status, be at least 50% FTE, and be authorized for at least 4.5 months (i.e. teaching fellows, teaching assistants, research assistants, graduate practicum, graduate services assistant)

² In addition to hourly non-faculty assignments, these appointments include non-contract adjunct faculty at less than 50% FTE. Contact HR for assistance regarding benefits costs for return to work retirees.

³ Exemption from FICA for student employees is determined by IRS criteria. Student employees who become ineligible for FICA exemption will subject the employing department to the full 7.65% employer FICA expense in payroll periods for which they are ineligible. For proposal purposes it may be advisable to estimate some FICA expense for student employees; consult with Grant Accounting for assistance. Note: Students who are paid under Job Code 1686 Stipend – Taxable Non-Employee Pay are ineligible for FICA exemption, see also the explanation on page 2 under Stipends.

For proposals, regular employee fringe benefits may be estimated according to the table above as a percentage of base salary (plus insurance contributions below). Actual costs against the payroll account(s) when payment is made WILL vary depending on the individual circumstances at the time of payment. For example, Benefit Replacement Pay may be estimated as a percentage of base salary but is only payable until the individual's maximum contribution amount is reached (the individual's maximum may be less than the maximums stated above.) See also the information below regarding assessment of insurance contributions from sponsored project accounts.

Benefit Replacement Pay: Benefit Replacement Pay (BRP) eligibility is determined as follows: State of Texas employees who were on the payroll as of August 31, 1995 and who either continue State employment or leave State employment and return to State employment within 12 months. The employee's compensation as of October 31, 1995 determines the amount of BRP.

Insurance Contribution Rates: The Texas Legislature requires the following contributions by the University toward the cost of employee insurance for HealthSelect of Texas coverage:

FY 07 (9-1-06/8-31-07)	Employee Cost	State/ Employer Contribution
Employee Only	0.00	360.54
Employee & Spouse	206.03	566.57
Employee & Child	137.95	498.49
Employee & Family	343.98	704.52
Opt-Out Credit	0.00	60.00

NOTE: Part-time regular (retirement and insurance eligible) staff between 50% and 99% FTE are only eligible for a prorated State/Employer Contribution amount; however, graduate teaching and research assistants are eligible for the amount(s) indicated above if their eligible FTE is 50% or greater.

Assessment of Insurance Contributions: When partial salaries are paid from sponsored project or other local accounts, the pro-rated share of these insurance premium costs must also be paid from those accounts. When paying all or part of an employee's salary for an insurance-eligible position from a sponsored project account, you must budget for insurance coverage for that employee.

Longevity Pay: REVISED EFFECTIVE 9-1-05 An individual in a full-time staff position is entitled to State Longevity Pay, payable as \$20 per month for every 2 years of applicable State service (maximum 42 years of service.)

Leave Eligibility and Entitlements: Regular retirement-eligible employees (except University faculty) who work on sponsored projects are also eligible to accrue vacation, sick leave, compensatory time as applicable, and all other forms of applicable paid and unpaid leave as described in Volume I, Section 1.4 Leave Administration. See University Policy 1.4.13, Vacation Leave, section 12, Vacation Leave for Personnel Paid from Sponsored Projects for information regarding responsibility for use and payment of vacation leave.

Stipends: Payment of fringe benefits is required only when an individual is paid a salary or wage. If an individual is paid a true stipend (i.e., a "gift" for which no work is required), then fringe benefits are not applicable. However, some agencies use the word "stipend" when work is actually being performed, therefore the use of the word "stipend" should not be automatically assumed to mean that fringe benefits do not apply. **TAXABLE STIPENDS (Job Code 1186) are payments are for past, present, or future services performed for other employers and are subject to fringe benefits including FICA.** Contact the Payroll Office for assistance.

Supplemental Compensation Policy: Refer to University Policy No. 1.6.5. Supplemental Compensation, for information relevant to the compensation and benefits of regular faculty and staff when paid from sponsored project accounts.