

Coalition for National Trauma Research (CNTR) - Fringe Benefit Rate Policy

PURPOSE: To provide a fringe rate computation

POLICY: This policy sets the standard for computing fringe rates.

PROCEDURE: Fringe benefits are non-taxable contributions of an employer and include:

- Retirement Contribution
- Medicare
- Social Security
- Health Insurance
- Dental Insurance
- Life Insurance
- Unemployment Insurance
- Worker's Compensation Insurance
- Vacation
- Sick leave

The actual cost of fringe benefits varies for each employee based on the options chosen, salary, and age. Annually the Controller calculates the fringe benefit rate for future years. This requires intricate calculations. These rates are estimates of the fringe benefit costs to occur. These rates are based on average costs of all available fringe options.

To ensure there are sufficient funds in the grant or contract for fringe benefits, the Coalition for National Trauma Research has calculated an average fringe benefit rate, which is applied organization wide as a percentage of salaries. This estimated amount is used in grant or contract budgets, but only the actual amount of fringe benefits will be assessed against the grant or contract.

- The retirement contribution is a set percentage of salary and is paid to full-time employees after their first year of employment.
- Medicare is a fixed rate set by the Social Security Administration (SSA). It is based on annual earnings.
- Social security is a fixed rate set by the Social Security Administration (SSA). It is based on earnings to all employees.
- Health, dental, and life insurance rates vary based on plans selected, monthly salary, and age. CNTR has established an average cost based on percentage of salary to provide a consistent rate for benefits.
- Unemployment Insurance is a percent of the first \$9,000 of each employee's salary. The rate used to compute fringe is based on costs spread across a 12 month period.
- Worker's Compensation is calculated as a percent of salary with rates based on actual cost.
- Vacation leave is calculated as a percent of salary using the average vacation benefit for all eligible CNTR employees. Vacation benefits are provided to full-time employees and the amount of vacation per year increases with the length of

- employment. Vacation leave is calculated as a percent of 1FTE.
- Sick leave benefit is set at 96 hours per year regardless of the length of employment. Sick leave is calculated as a percent of 1 FTE.

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