



FRINGE BENEFITS

DOROTHY WARNER

DIRECTOR

OFFICE OF SPONSORED AND STUDENT RESEARCH

SPRING 2022



WHAT ARE FRINGE BENEFITS?

- FRINGE BENEFITS ARE VARIOUS TYPES OF COMPENSATION PROVIDED BY AN EMPLOYER IN ADDITION TO SALARIES AND WAGES. EXAMPLES:
 - EMPLOYER'S SHARE OF HEALTH INSURANCE PREMIUMS
 - EMPLOYER'S SHARE OF RETIREMENT BENEFITS (PENSIONS, 401(K), 403(B) PLANS
 - REQUIRED BENEFITS – SOCIAL SECURITY, MEDICARE, WORKERS COMPENSATION
- FRINGE BENEFITS ARE TYPICALLY CALCULATED AS A PERCENTAGE OF SALARIES AND WAGES
- FRINGE BENEFITS MAY CHANGE FROM YEAR TO YEAR
- VALPO USES A STANDARD PERCENTAGE WHEN DEVELOPING GRANT BUDGETS
- READ THE FUNDER'S DIRECTIONS – MOST FUNDERS ALLOW THE APPLICANT TO INCLUDE THEIR USUAL BENEFITS BUT SOME FUNDERS DON'T

VALPO'S BENEFIT RATES – CALENDAR YEAR 2022

BENEFIT	PERCENTAGE
Workers Compensation	0.89%
Social Security	6.2%
Medicare	1.45%
Health Insurance	15.81%
Retirement	6.0%
TOTAL ALL FRINGE BENEFITS	30.35%

DIFFERENT CATEGORIES OF EMPLOYEES GET DIFFERENT BENEFITS

TYPE OF EMPLOYEE	BENEFITS RECEIVED	PERCENTAGE
Regular full time employees (most faculty during the academic year, most staff)	Workers Compensation, Social Security, Medicare, Health Insurance, Retirement	$0.89\% + 6.2\% + 1.45\% + 15.81\% + 6.0\% = \mathbf{30.35\%}$
Part-time employees (including adjunct faculty) and faculty during the summer (when not on contract)	Workers Compensation, Social Security, Medicare	$0.89\% + 6.2\% + 1.45\% = \mathbf{8.54\%}$
Student employees not taking classes (often in summer)	Workers Compensation, Social Security, Medicare	$0.89\% + 6.2\% + 1.45\% = \mathbf{8.54\%}$
Student employees taking classes (typically during the academic year)	Workers Compensation	$\mathbf{0.89\%}$

EXAMPLE CALCULATIONS #1

FACULTY AND STAFF DURING ACADEMIC YEAR

FACULTY AND STAFF DURING THE ACADEMIC YEAR ARE ON CONTRACT AND RECEIVE FULL BENEFITS. ALSO, STAFF WHO WORK 12 MONTHS DURING A YEAR AND RECEIVE FULL BENEFITS.

- \$50,000 SALARY
- 30.35% FRINGE RATE
- $\$50,000 \times .3035 = \$15,175$ FRINGE BENEFITS TO BE ADDED TO THE GRANT BUDGET

EXAMPLE CALCULATIONS #2

FACULTY DURING SUMMER

MOST VALPO FACULTY HAVE NINE-MONTH CONTRACTS WHICH DO NOT INCLUDE SUMMERS. THE UNIVERSITY PROVIDES THE REQUIRED BENEFITS.

- \$10,000 SUMMER STIPEND
- 8.54% FRINGE RATE
- $\$10,000 \times .0854 = \854 FRINGE BENEFITS TO BE ADDED TO THE GRANT BUDGET

EXAMPLE CALCULATIONS #3 STUDENTS DURING SUMMER

STUDENT EMPLOYEES HIRED TO WORK ON RESEARCH OR OTHER PROJECTS DURING THE SUMMER TYPICALLY DO NOT TAKE CLASSES DURING THE SUMMER. THE UNIVERSITY PROVIDES THE REQUIRED BENEFITS.

- \$3,000 WAGES
- 8.54% FRINGE RATE
- $\$3,000 \times .0854 = \256 FRINGE BENEFITS TO BE ADDED TO THE GRANT BUDGET

EXAMPLE CALCULATIONS #4

STUDENTS DURING ACADEMIC YEAR

STUDENT EMPLOYEES WHO WORK DURING THE ACADEMIC YEAR ARE ALSO TAKING CLASSES.
THE UNIVERSITY PROVIDES THE REQUIRED BENEFITS.

- \$3,000 WAGES
- 0.89% FRINGE RATE
- $\$3,000 \times .0089 = \28 FRINGE BENEFITS TO BE ADDED TO THE GRANT BUDGET

RESOURCES

- FOR EASY REFERENCE, FRINGE RATES ARE LOCATED ON THE VALPO GRANT BUDGET TEMPLATE
[HTTPS://WWW.VALPO.EDU/SPONSORED-AND-STUDENT-RESEARCH/](https://www.valpo.edu/sponsored-and-student-research/)
- OSSR IS ALWAYS HERE TO HELP!
DOROTHY.WARNER1@VALPO.EDU OR EXT 5798 OR ASB 208A