



University of Pittsburgh

Office of Budget & Controller

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Arthur G. Ramicone, CPA
Vice Chancellor

TO: Chancellor, Provost, Sr. Vice Chancellor, Executive Vice Chancellor,
Vice Chancellors, Deans, Directors, Department Chairpersons, and
Sponsored Project Directors

FROM: Arthur G. Ramicone, Vice Chancellor for Budget and Controller *AGR*

DATE: January 5, 2004

SUBJECT: Proposed Fringe Benefit Rates – FY 2005

The University recently submitted its Fringe Benefit Rate proposal to the Department of Health and Human Services (DHHS) for fiscal year 2005. These rates should be utilized as the best estimates available in submitting FY 2005 budget and grant proposals. As you are aware, one set of rates is applicable to sponsored research funds (Entity 05) from federally funded sources and one for all other funds (e.g. Entity 02, 03, 04, and non-federally funded sponsored research in Entity 05). Please note that only the rates applicable to federally funded sponsored research are subject to DHHS approval. The overall increase in fringe benefit rates is mainly attributed to forecasted increases in the University's medical insurance premiums to be paid to our providers for both current employees and retirees. The proposed fringe benefit rates for FY 2005 are as follows:

FOR FEDERALLY FUNDED SPONSORED RESEARCH (ENTITY 05 ONLY):

	<u>FY 05</u>	<u>FY 04</u>
Medical Faculty	23.00%	22.20%
Other Faculty	24.00%	27.80%
Senior Administrator	22.50%	20.20%
Staff	36.80%	32.90%
Temporary	7.30%	9.00%
Graduate — tuition remission	50.00%	50.00%

FOR NON-FEDERALLY FUNDED SPONSORED RESEARCH (ALL OTHER ENTITIES):

	<u>FY 05</u>	<u>FY 04</u>
Medical Faculty	24.00%	23.20%
Other Faculty	24.90%	28.60%
Senior Administrator	22.70%	18.50%
Staff	39.60%	35.40%
Temporary	7.30%	9.00%
Graduate — tuition remission	50.00%	50.00%

Please bear in mind that the FY 05 rates are proposed rates that have not yet been formally approved by the DHHS. Once formal approval is received, a letter will be sent notifying you of the final rates. However, we have no reason to believe that these proposed rates will not be approved. If you have any questions, please contact Bruce Saltsman at 624-2030.