



UNIVERSITY *of* NEW HAMPSHIRE

February 16, 2005

Colleagues-

A national trend is about to have a pronounced local impact. From the subject line you might have already guessed that the trend is in health care costs and the local impact is on fringe benefit rates. The goal of this office is to minimize large swings in this rate year-to-year, while attempting to support cost containment in general. We have much more influence on the former than the latter, which is a roundabout way of saying that these rates are likely to continue to increase, but hopefully more slowly, in the next few years. You may want to keep that in mind as you plan for multiple year awards. The Separation Incentive Plan (SIP) also had an impact on the rate that will be spread over more than one year.

No one office on campus proposes or controls these rates. They result from a relatively straightforward calculation of expenses divided by total salary pools, and are agreed upon by representatives from the USNH controllers office and from both the financial affairs and research offices. The proposal submitted to US DHHS – the federal agency that determines UNH's rates - includes these values:

Full fringe rate	43.4%
Partial fringe rate	25.1% (for post doctoral research and teaching associates)
Basic fringe rate	9.1% (for non-student hourly wages, faculty summer pay, and FICA-eligible grad student pay)

These are not final, and we cannot put them in proposals until they are accepted by DHHS, but you should be aware of them. The final new rate will be applied to all grants and contracts in place as of 1 July 2005, and all new awards. As soon as the final rates are known, I will communicate those to you.

John D. Aber
Vice President for Research and Public Service