

June 7, 2013

MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Stephen W. Keto
Associate Vice Chancellor for Finance and Resource Management

SUBJECT: Special Benefits Rates

Special benefits rates are applied to all projects to provide funds to pay special personnel benefits specified on this site: <http://budget.ncsu.edu/budgetoffice/documents/SpecialFringeBenefitsPools.pdf>

On a monthly basis, the special benefits rates are automatically charged to the salary expenditures of each project.

The university level projects that pool these funds are analyzed periodically to assure sufficient cash flow to meet anticipated costs. Based on our recent analysis and projected future needs, effective July 1, 2013 the special benefits rates are as follows:

	<u>Rate</u>	<u>Change</u>
Academic Affairs (16030)	0.90%	No increase
Agricultural Research (16031)	0.80%	0.05 increase
Cooperative Extension (16032)	0.65%	0.05 increase
Non-State Funded Projects (excluding ledger 5)	1.95%	No change at this time
<i>Contracts and Grants (ledger 5)</i>	<i>0.40%</i>	<i>No change at this time</i>

A contract and grant rate of 0.80% has been requested for ledger 5 activity. This increase is pending the U.S. Department of Health and Human Services (USDHHS) approval and may not be charged under any circumstances until a new rate agreement has been signed by NC State and USDHHS. We will notify you of any rate changes as soon as possible after the negotiation process is complete.

However, a major change in the way the state will administer and fund unemployment Insurance when House Bill 4 was signed by the Governor on February 19, 2013 and will take effect on July 1, 2013. This bill made numerous changes to the unemployment insurance laws, and it also contains a provision that each agency/university will be required to establish and maintain a reserve equal to one percent (1%) of its taxable wages. Once guidelines for the new Unemployment Insurance process have been established by the state and/or UNC General Administration an adjustment in some of the rates may be required.

If you have any questions concerning these rates, please contact Barbara Moses in the University Budget Office at 513-1263.

cc: W. Randolph Woodson, Chancellor
Warwick A. Arden, Provost and Executive Vice Chancellor
Terri L. Lomax, Vice Chancellor for Research
Charles D. Leffler, Vice Chancellor for Finance and Business