

May 20, 2008

MEMORANDUM

TO: Deans, Directors and Department Heads

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

SUBJECT: Special Benefits Rates

Special benefits rates are applied to all projects to provide funds to pay for the following: workers' compensation payments, unemployment self-insurance payments, disability payments and employee assistance program, as well as administrative charges for workers' compensation and NC Flex. On a monthly basis, the special benefits rates are automatically charged to the salary expenditures of each project. In addition to the above costs, the special benefits rate used for Contracts and Grants projects (ledger 5) accommodates severance and terminal leave payouts which are not allowable on most contracts or grants.

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, 2008, the special benefits rates are as follows:

	<u>Rate</u>	<u>Change</u>
Academic Affairs (16030)	0.55%	no change
Agricultural Research (16031)	0.60%	no change
Cooperative Extension (16032)	0.45%	0.05% increase
Non-State Funded Projects (excluding ledger 5)	0.75%	0.05% increase
Contracts and Grants (ledger 5)	0.80 %	no change at this time

A contract and grant rate of .70% has been requested for ledger 5 activity. This decrease 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.

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

cc: Chancellor James L. Oblinger
Provost and Executive Vice Chancellor Larry A. Nielsen
Vice Chancellor John G. Gilligan
Vice Chancellor Charles D. Leffler