

**UNIVERSITY OF ILLINOIS AT CHICAGO**  
**OFFICE OF BUSINESS & FINANCIAL SERVICES**  
**FY12 FACILITIES & ADMINISTRATIVE (F&A), FRINGE BENEFIT,**  
**AND TUITION REMISSION RATES**

Departmental personnel are frequently required to prepare budgets for University activities including sponsored projects (i.e., grants and contracts). The budget generally includes salaries and wages of personnel, commodities, contractual services, travel, equipment, etc. Certain funds/accounts are required to budget for the payment of the cost of employee fringe benefits. Also, grant and contract projects are required to budget for University F&A (indirect) costs. This document presents the University of Illinois at Chicago's (UIC) finalized F&A rates for FY11 – FY13; the finalized Health, Life & Dental (HLD), Termination Vacation and Sick (TVS), Workers' Compensation, Retirement (SURS), Medicare, OASDI, and tuition remission rates for FY12; and guidance on budgeting fringe benefit costs beyond FY12.

**A. FY11 – FY13 FINALIZED FACILITIES AND ADMINISTRATIVE (F&A) RATES**

The FY11 – FY13 F&A rates have been finalized and approved by our cognizant Federal Agency, the Office of Naval Research (ONR). These rates, listed on page 2, include separate categories for Instruction, Organized Research, Other Sponsored Activities for on-campus and off-campus projects.

• **F&A Rates for Instruction, Organized Research and Other Sponsored Activities**

o **Definitions:**

**Instruction**

Includes all teaching (direct and indirect), course and curriculum development, and academic advising and development. Instruction also includes departmental research, defined as all research and scholarly development which: (1) is supported by University funds, (2) is not separately budgeted, (3) is not performed for a specific sponsored research agreement, and (4) is undertaken in general support of the instructional function of the institution.

**Organized Research**

Includes all research and development activities that are: (1) separately budgeted and accounted for by the University, and (2) performed for specific research projects. Sponsored research means all research and development activities that are sponsored by federal and non-federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where activities use the same facilities as other research and development activities and where such activities are not included in the instruction function.

**Other Sponsored Activities**

Includes sponsored program activities other than instruction or organized research. This definition includes grants and contracts in support of public service, administration, student services, and the library. Not included in the definitions are fellowships, work study and gifts in support of the same.

o **Base for Rate Assessment**

Direct costs are those costs that can be identified specifically with a particular sponsored project, relatively easily with a high degree of accuracy. The base on which F&A will be assessed is Modified Total Direct Costs (MTDC) which includes such expenditures as salaries and wages, fringe benefits, materials and supplies, travel, services and the first \$25,000 of subcontract expenditures. The MTDC excludes equipment costing \$5,000 or more; subcontract expenditures in excess of \$25,000; graduate assistant tuition remission; fellowships; scholarships; traineeships; patient care charges; and rental/lease of capital items. UIC has elected, at this time, not to assess F&A costs on equipment items with an acquisition cost of \$500 or more, for awards based on proposals submitted for external funding. This use of a lower threshold is only for purposes of F&A cost assessment.

o **Application of FY11 – FY13 Rates**

All awards beginning in FY12 will have a rate of 59.0% assessed for FY12. If they continue beyond FY12, the assessed rate will increase to 59.5% in FY13 and remain 59.5% for the life of the award. Any award beginning in FY13 will be assessed at a rate of 59.5% for the life of the award.

o **Continuing Projects**

Under federal guidelines, rates and bases should continue for the life of the project until a competing renewal is submitted. Therefore, the University will honor the rates in place for continuing projects. Proposals for non-competing continuations, incremental funding and budget amendments for previously awarded federal projects should use the rates specified in the original award document.

o **Use of On-/Off-Campus Rate**

The on-campus rate should be used for proposals where all work is done using University facilities. The On-Campus rate is to be assessed except when a portion of the sponsored agreement is performed at an off-campus site. The criteria for utilization of the off-campus rate consists of all of the following: (a) performance at the off-campus site must be on a continuous basis; intermittent performance is not sufficient; (b) the University personnel working or engaged on the project must be physically located at an off-campus site; and (c) the off-campus performance must be of sufficient duration; normally a full semester, summer term or period of performance of the sponsored agreement. The space on the South Campus and at 2242 W Harrison that the University leases to UIC departments is considered off-campus. The off-campus rate will be used for the off-campus portion of the work on a sponsored agreement.

Off-campus costs may include costs incurred at the off-campus site for salaries, related benefits, supplies, utility costs, rent, local travel and other similar costs, which are treated as direct. Travel to and from an off-campus site is considered an off-campus cost.

**Chicago Campus Facilities and Administrative (F&A) Rates**

| <b>Finalized FY11 – FY13 Rates</b>  | <b>FY11</b> | <b>FY12</b> | <b>FY13</b> |
|---|-------------|-------------|-------------|
| Instruction   | 40.4%       | 43.6%       | 43.6%       |
| Organized Research  | 57.0%       | 59.0%       | 59.5%       |
| Other Sponsored Activities  | 36.0%       | 36.0%       | 36.0%       |
| All Off-Campus Awards (Instruction, Organized Research, Other Sponsored Activities) | 26.0%       | 26.0%       | 26.0%       |

• **F&A Rates for Clinical Drug Trials**

o **Definition**

These include studies performed for private sponsors which involve human subjects in drug protocols.

o **Base for Rate Assessment**

The base for rate assessment is total direct costs. Total direct costs include all costs charged to a sponsored program account, excluding indirect costs, costs of education allowance and administrative allowances.

o **FY12 F&A Rate for Clinical Drug Trials**

Clinical drug trials are assessed at a rate of 25.0%. This rate was established during FY1994 for non-federally funded clinical drug studies and is applied to Total Direct Costs (TDC)

**B. FY12 GRADUATE ASSISTANT TUITION REMISSION RATE (SPONSORED ACCOUNTS)**

The Fiscal Year 2012 graduate assistant tuition remission rate will remain 42%. Salaries of graduate assistants with tuition and fee waivers are the base for the assessment of the tuition remission rate. This rate is applied to all GA/RA/TAs working on sponsored programs. Please note that the campus also assesses a "GA tuition remission benefit cost" charge on non-sponsored accounts. More information on this charge is available here: [Memo on Tuition Remission for Graduate Assistants](#).

**C. FY12 FRINGE BENEFITS RATES (FINALIZED)**

Fringe benefit rates are updated annually and audited and approved by the Federal government near the beginning of each fiscal year. Unlike facilities and administrative cost rates, changes in fringe benefit rates are assessed immediately when they become effective, even if the budgeted rates are different. The UIC FY12 Fringe Benefit rates included in the table on pages 3 and 4 are effective July 1, 2011 with BW 16 and MN 8 pay periods (with the exception of Retirement, which is effective with BW 15 and MN 7). The Health, Life & Dental (HLD), Termination Vacation and Sick (TVS), Workers' Compensation, Retirement (SURS), Medicare, and OASDI rates are finalized. Please refer to the [Benefit Summary Booklet](#) sections on State of Illinois Plans, Eligibility for State Benefit Plans, and Part-Time Insurance Eligibility for additional fringe benefit eligibility information. Refer to [Substantial Presence](#) for additional fringe benefit information related to residents on J-1, J-2, F-1 and F-2 visas.

The following 2 charts detail the fringe benefit costs by appointment type. The first chart below, details fringe benefit charges to sponsored accounts. The second chart on the following page details fringe benefit charges to non-sponsored accounts. The primary differences between the 2 charts are highlighted in yellow on each chart.

**CHICAGO CAMPUS  
FY12 FINAL FRINGE BENEFIT RATES  
APPLICABLE TO SPONSORED PROJECTS**

This Chart Details Fringe Benefit Rates for Appointments Commonly Charged to Sponsored Projects;  
It is for Budgeting Purposes and is Not Intended to be Used as a Basis for Determining Benefits Eligibility\*

| Appointment  | Total Fringe Benefits Rate | Finalized Retirement (SURS)** | Finalized Health, Life & Dental | Finalized Workers' Comp† | Finalized Term. Vacation/Sick | Finalized Medicare‡ | Finalized OASDI |
|--|----------------------------|-------------------------------|---------------------------------|--------------------------|-------------------------------|---------------------|-----------------|
| Academic and Non-Academic Employees Eligible for SURS and Insurance*                                       | 38.33%                     | 12.71%                        | 22.68%                          | 0.09%                    | 1.40%                         | 1.45%               | -               |
| Academic and Non-Academic Employees Eligible for SURS, but Ineligible for Insurance*                       | 15.65%                     | 12.71%                        | -                               | 0.09%                    | 1.40%                         | 1.45%               | -               |
| Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)     | 0.09%                      | -                             | -                               | 0.09%                    | -                             | -                   | -               |
| Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer) | 7.74%                      | -                             | -                               | 0.09%                    | -                             | 1.45%               | 6.20%           |
| GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)                    | 2.85%                      | -                             | 2.76%                           | 0.09%                    | -                             | -                   | -               |
| GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)                | 10.50%                     | -                             | 2.76%                           | 0.09%                    | -                             | 1.45%               | 6.20%           |
| Hospital Residents   | 36.84%                     | 12.71%                        | 22.68%                          | -                        | -                             | 1.45%               | -               |
| Academic and Non-Academic Employees Ineligible for SURS and Insurance*                                     | 7.74%                      | -                             | -                               | 0.09%                    | -                             | 1.45%               | 6.20%           |

Research Associates receive fringe benefits that are consistent with their appointment type, detailed above.  
Retired employees who are rehired by the University are not fringe benefit eligible and are only assessed for Medicare (1.45%) and Workers' Comp (0.09%).  
Fellowships are not assessed fringe benefits.

\*Please refer to the [Benefit Summary Booklet](#) sections on State of Illinois Plans, Eligibility for State Benefit Plans, and Part-Time Insurance Eligibility.

\*\* For employees who have elected the self-managed plan, the actual rate of 7.6% will be charged.

\*\* The current annual compensation limit for SURS is \$245,000 (for participants certified on or after July 1, 1996) and \$106,800 for new employees hired as of January 1, 2011.

† For Auxiliary Services, the Worker's Compensation rate is 0.92%.

‡This chart includes a Medicare charge for employees hired after 4/1/86. There are no Medicare charges for employees hired before that date.

**CHICAGO CAMPUS  
FY12 FINAL FRINGE BENEFIT RATES  
APPLICABLE TO OTHER ASSESSED ACCOUNTS**

(ADMINISTRATIVE ALLOWANCES, ICR, PRIVATE UNRESTRICTED GIFTS, ETC)

This Chart Details Fringe Benefit Rates for Appointments Commonly Charged to Other Assessed Accounts;  
It is for Budgeting Purposes and is Not Intended to be Used as a Basis for Determining Benefits Eligibility\*

| Appointment  | Total Fringe Benefits Rate | Finalized Retirement (SURS)** | Finalized Health, Life & Dental | Finalized Workers' Comp† | Finalized Term. Vacation/Sick | Finalized Medicare‡ | Finalized OASDI |
|--|----------------------------|-------------------------------|---------------------------------|--------------------------|-------------------------------|---------------------|-----------------|
| Academic and Non-Academic Employees Eligible for SURS and Insurance*                                       | 36.93%                     | 12.71%                        | 22.68%                          | 0.09%                    | -                             | 1.45%               | -               |
| Academic and Non-Academic Employees Eligible for SURS, but Ineligible for Insurance*                       | 14.25%                     | 12.71%                        | -                               | 0.09%                    | -                             | 1.45%               | -               |
| Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)     | 0.09%                      | -                             | -                               | 0.09%                    | -                             | -                   | -               |
| Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer) | 7.74%                      | -                             | -                               | 0.09%                    | -                             | 1.45%               | 6.20%           |
| GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)                    | 0.09%                      | -                             | -                               | 0.09%                    | -                             | -                   | -               |
| GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)                | 7.74%                      | -                             | -                               | 0.09%                    | -                             | 1.45%               | 6.20%           |
| Hospital Residents   | 36.84%                     | 12.71%                        | 22.68%                          | -                        | -                             | 1.45%               | -               |
| Academic and Non-Academic Employees Ineligible for SURS and Insurance*                                     | 7.74%                      | -                             | -                               | 0.09%                    | -                             | 1.45%               | 6.20%           |

Research Associates receive fringe benefits that are consistent with their appointment type, detailed above.  
Retired employees who are rehired by the University are not fringe benefit eligible and are only assessed for Medicare (1.45%) and Workers' Comp (0.09%).  
Fellowships are not assessed fringe benefits.

\*Please refer to the [Benefit Summary Booklet](#) sections on State of Illinois Plans, Eligibility for State Benefit Plans, and Part-Time Insurance Eligibility.

\*\* For employees who have elected the self-managed plan, the actual rate of 7.6% will be charged.

\*\* The current annual compensation limit for SURS is \$245,000 (for participants certified on or after July 1, 1996) and \$106,800 for new employees hired as of January 1, 2011.

† For Auxiliary Services, the Worker's Compensation rate is 0.92%.

‡This chart includes a Medicare charge for employees hired after 4/1/86. There are no Medicare charges for employees hired before that date.

## **D. GUIDANCE ON BUDGETING BENEFIT COSTS BEYOND FY12**

We are publishing guidance on projected fringe benefit rates for faculty to use in their grant proposals. While estimated rates may not precisely equal the actual rates in a given year, it will certainly result in far less reallocation than if the proposal reflected a constant fringe benefit rate for the entire grant period. Depending upon agency limitations, an appropriate inflation rate (e.g., 3% to 5%) should be used to estimate fringe benefit costs beyond FY12.

This departure from our prior practice of publishing detailed fringe benefit projections is intended to provide departments with additional flexibility to more effectively budget proposals. The chart accessible via the following link has been prepared based on this guidance to help you estimate fringe benefit costs.

Please click on the link below and follow the instructions in order to calculate projected fringe benefit costs beyond FY12:

<http://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=1068343>

## **E. CONTACTS**

Please direct any questions or concerns to:

| <b>CHICAGO CAMPUS CONTACTS</b>       |   |                  |  |
|--------------------------------------|---|------------------|--|
| <b>Questions Regarding</b>           | <b>Contact</b>  | <b>Telephone</b> | <b>E-mail</b>  |
| Proposals and Budget Preparation     | Luis Vargas<br>Executive Director, Research Services      | 996-2862         | <a href="mailto:awards@uic.edu">awards@uic.edu</a>                         |
| Benefits Eligibility                 | University Payroll and Benefits                           | 996-6471         | <a href="mailto:benefits-uic@uillinois.edu">benefits-uic@uillinois.edu</a> |
| Dept Tuition Remission Benefit Costs | Dale Rush<br>Resource & Policy Analyst                    | 996-6461         | <a href="mailto:dalerush@uic.edu">dalerush@uic.edu</a>                     |
| Workers' Compensation                | PJ Kale<br>Executive Director, Risk Management            | 217-333-3113     | <a href="mailto:pkale@uillinois.edu">pkale@uillinois.edu</a>               |
| General F&A and Fringe Benefit Rates | Michael Moss<br>Assistant Director, Grants & Contracts    | 996-0306         | <a href="mailto:mmoss2@uillinois.edu">mmoss2@uillinois.edu</a>             |
| General Grants & Contracts           | Vanessa Peoples<br>Executive Director, Grants & Contracts | 996-3373         | <a href="mailto:vpeoples@uillinois.edu">vpeoples@uillinois.edu</a>         |
| General Payroll                      | University Payroll and Benefits                           | 996-7200         | <a href="mailto:payinq@uillinois.edu">payinq@uillinois.edu</a>             |
| General Accounting                   | Nick Unser<br>Business & Financial Specialist, UAFR       | 217-244-6676     | <a href="mailto:nicku@uillinois.edu">nicku@uillinois.edu</a>               |
| General Budgets                      | Russ Biskup<br>Director, Budgeting & Financial Analysis   | 996-0531         | <a href="mailto:rjbiskup@uic.edu">rjbiskup@uic.edu</a>                     |