

TO: All Research Faculty and Administrative Staff

FROM: Beryl Gwan, Sr. Manager, Costing and Compliance  
Sponsored Projects Accounting and Compliance

DATE: July 27, 2020

RE: **Implementation of New Fringe Benefit Rate Agreement**

The University has successfully negotiated a new Fringe Benefit cost rate agreement with the federal government. The official rate agreement has been finalized and posted at: <http://www.umaryland.edu/cost/fringe-benefit/>

The University's [current F&A rates](#) remain unchanged through FY2022.

In summary, the fringe rates effective 07/01/2020 through 06/30/2021 are as follows:

**Fringe Benefit Rates**

|                    | <b>Apply to Accounts</b>   | <b>FY21+</b> | <b>Fringe Account</b>                 |
|--------------------|--|--------------|---------------------------------------|
| Faculty            | 1011 – Faculty 9/10 Month<br>1012 – Faculty 12 Month   | 25.1%        | 2790 - Fringe Rate Faculty            |
| Staff              | 1013 – Exempt Staff<br>1014 – Non Exempt Staff   | 38.2%        | 2791 - Fringe Rate Staff              |
| Legislated Benefit | 2071 – Faculty<br>2072 – Exempt Staff (C1)<br>2073 – Non-exempt Staff (C1)<br>2074 – College Work Study (CWS) (Summer)<br>2075 – Student (other than CWS) (Summer)<br>2080 – Summer Salaries<br>2085 – Supplemental Pay<br>2110 – Overtime<br>2120 – Shift Differential<br>2130 – On Call Pay<br>2140 – Bonus Payments | 8.5%         | 2793 - Fringe Rate Legislated Benefit |
| Limited Benefit    | 1021 – Post Docs/Fellows<br>2090 – Contractual Employee (C2)   | 19.2%        | 2792 – Fringe Rate Limited Benefit    |

The following salary accounts will not incur fringe benefits due to the student FICA exemption:

- 1020 – Graduate Assistants
- 2074 – Student College Work Study (CWS)
- 2075 – Students other than CWS

If it is determined that these employees are not eligible for the FICA exemption during the summer, then the Legislated Benefit rate above will be applied to these summer wages.

These rates should now be used for all grant and contract proposals and for planning purposes on nonsponsored funding sources. Quali Research has been updated to reflect these new rates.

If you have any questions, please contact Beryl Gwan, Manager, Costing and Compliance at 410-706-2909 or [bgwan@umaryland.edu](mailto:bgwan@umaryland.edu).