



The Texas A&M University System

Associate Vice Chancellor for Budgets and Accounting

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MEMORANDUM

TO: Chief Financial Officers
Academic Institutions and Service Agencies

FROM: Janet S. Guillory
Director of Accounting *Janet S. Guillory*

SUBJECT: Revised - FY2007 Budgeting for Fringe Benefits on Sponsored Agreements

For fiscal year 2007, please use the fringe benefit rates listed below when calculating fringe benefits for sponsored agreement budgeting purposes. This will not impact reimbursements from sponsored agreements, as fringe benefits will continue to be reimbursed at the actual dollar amount of expenditure, rather than the budgeted amount.

Beginning July 2000, the State does not have to pay social security and Medicare for students who meet certain criteria. Please refer to <http://www.tamus.edu/offices/budgets-acct/tax/taxmanual/studrel.html> for those criteria. For the purposes of fringe benefit budgeting, students that meet the criteria will be called FICA Exempt Students. For students that do not meet the criteria, choose the employee category that applies to them.

FY2007 FRINGE BENEFITS FOR BUDGET PURPOSES

Employees Eligible for all Fringe Benefits	16.1% of direct salaries & wages PLUS A fixed monthly dollar amount for group insurance
Employees Not Eligible for Group Insurance & Retirement	8.85% of direct salaries & wages
FICA Exempt Students Eligible for Group Insurance But Not Eligible for Retirement	1.2% of direct salaries & wages PLUS A fixed monthly dollar amount for group insurance
FICA Exempt Students Not Eligible for Group Insurance & Retirement	1.2% of direct salaries & wages

FY2007 FIXED MONTHLY DOLLAR AMOUNT FOR GROUP (MEDICAL & BASIC LIFE) INSURANCE

Classification of Employee	Fixed Monthly Insurance Amount
Faculty and Staff - Full Time (100%)	\$459
Faculty and Staff - Part Time (50% - 99.99%)	\$229
Insurance Eligible Student [b]	\$194
Combined (all employees) [a]	\$414

[a] If you know the classification of the employee who will be working on the sponsored agreement, you may use the above figure that applies to them. Otherwise, use the combined amount (\$414).

[b] The fixed monthly insurance amount (\$194) is based on the ½ GIP state contribution. However, several System Members have chosen to supplement the remaining ½ of the contribution or the remaining health premium amounts, whichever is less, if one of the following requirements is met for FY2005: (The supplement is optional for System Members.)

- or
1. The graduate assistant must have been hired by June 1, 2004.
 2. The graduate assistant must have received a supplement in FY2004.