TO: Finance & Administration Advisory Group & Business Managers
FROM: Leanne Marden, Controller & Director of Fiscal Operations
CC: Vice Chancellors, Deans, Directors & Department Heads
SUBJECT: FY 2011 Fringe Benefit and Payroll Tax Rates
DATE: July 9, 2010

As many of you know, the University is required to pay the Commonwealth of Massachusetts the cost of fringe benefits and payroll taxes for all non-state funded employees. These costs are assessed based on an agreement between the Commonwealth and the U.S. Department of Health and Human Services. The State Comptroller has notified the University that the following rates have been approved for FY 2011:

- Fringe benefit rate 31.82% of regular (benefited) employee compensation
  (Incl. health insurance, pension & terminal leave)

- Payroll Tax Rate 1.91% of compensation for regular & contract employees
  (Incl. unemployment, universal health & medicare tax)

In addition, other required payroll-related charges will continue to be assessed during FY 2011 as follows:

- Health & Welfare $26/bi-weekly per FTE *
- Worker’s Compensation 0.31%

If you have any questions about these costs, you may contact me at 617-287-5196.

* The charge will increase to $26.50 pending funding of labor contracts

#2011-02