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 2012:

- Fringe benefit rate: 32.98% of regular (benefited) employee compensation (Incl. health insurance, pension & terminal leave)
- Payroll tax rate: 1.94% 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 2012 as follows:

- Health & welfare: $27/bi-weekly per FTE *
- Worker’s compensation: 0.31%

The rates are currently being updated in the university’s payroll system and will apply to the next bi-weekly payroll period that ends on 7/16/11. If you have any questions about these costs, you may contact me at 617-287-5196.

* The charge will increase to $28/bi-weekly per FTE in January 2012