

Explanation of UNCG Composite Fringe Rate

The fringe rates in our negotiated agreement are only part of our total employee fringe benefit costs. The negotiated fringe rate covers: Worker's Compensation, Unemployment, Accrued Leave payouts at Termination and Severance, Short-Term Disability, and Employee Assistance Program. These fringe benefits are directly charged: FICA/Medicare, Health Insurance and Retirement.

UNCG uses composite rates for estimating direct fringe benefit costs on grant applications and contract proposals. More information can be viewed here: <https://scholar.uncg.edu/sponsored-programs/budget-prep/>

Fringe benefits include the cost of the University and State retirement programs, health insurance, group life insurance, social security, disability insurance, workmen's compensation, and unemployment compensation.

- Fringe benefits are a direct cost to a sponsored project, are clearly related to the salaries and wages to be paid, and are shown as a separate entry in the budget. Fringe benefit costs have been calculated based on historical data. The actual costs for fringe benefits are charged (billed) to the sponsored project at the time the costs are incurred. The amount charged is based on salary, selected benefit package, and other variables applicable to the individual employee.
- UNCG's fringe benefit rates are reviewed on an annual basis and adjustments to the rate will be made based on the claims incurred in past fiscal years. Changes in fringe rates typically occur between June and August. Additional information and guidance can be found Appendix 2 of the Contracts & Grants Policies and Procedures.

Fringe Benefit	FY26 Fringe Benefit Composite Rate (Effective 7/1/2025)
EHRA Faculty/Staff, Postdoc (>0.75 FTE) Composite Fringe	42%
SHRA Faculty/Staff (>0.75 FTE) Composite Fringe	47%
Students (enrolled/academic year)	0.3%
Students (non-enrolled/summer) and Temporary Employees	8.0%

The above composite fringe rates should be considered the default unless a sponsor specifically requests a breakdown of the fringe benefits calculation. In those cases, the following breakdown applies:

Fringe Benefit Breakdown	Preliminary FY26 Fringe Benefit Rates (Effective 7/1/2025)
FICA	7.65%
Optional Retirement*	14.24%
State Retirement*	24.67%

LEO Retire*	29.67%
Health Insurance	\$8,500/year (flat rate charge, not %)
EPA (EHRA) & SPA (SHRA) Fringe Reserve*	1.3%
Students and Temporary Employees*	0.0%
Temp/Student (non-enrolled)	7.65% (FICA)

*fringe rates typically updated at start of new fiscal year (7/1)

+fringe rates typically updated at calendar year (1/1)

Please let us know if you need additional information. The UNCG Office of Sponsored Programs can be reached at research@uncg.edu