



CIRCULAR

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

NO.: 16-14-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 2
EFFECTIVE DATE: 07/01/2015	EXPIRATION DATE: 06/30/2016	SUPERSEDES: 15-12-OMB
SUBJECT: "EMPLOYEE BENEFIT" REIMBURSEMENT RATES		
ATTENTION: AGENCY FISCAL AND PERSONNEL OFFICERS		
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The Office of Management and Budget has negotiated with the United States Department of Health and Human Services for a composite fringe benefit rate of 37.6 percent of base salaries for the year ending June 30, 2016. The rate is applicable to the personnel who are members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Teachers' Alternate Benefit Plan (TABP), and all employees who are not members of a pension plan, but are covered for health benefits. In addition, a rate of 45.1 percent for the Police and Firemen has also been negotiated. These negotiated rates are to be used for all Non-State funded sources.

The State Police fringe benefit rate for the year ending June 30, 2016, is 40.3 percent for Non-State funded programs other than Federal.

Actual charges to Federal, Dedicated and Non-State funded programs will be reflected on the base salaries (salaries excluding overtime pay and part-time employees).

<u>Object Account</u>	<u>Description</u>	<u>PERS etc.</u>	<u>Police and Firemen</u>	<u>State Police</u>
19	Pension	8.4	17.7	19.3
19	Health Benefits (Including Prescription Drug And Dental Care Programs)	27.7	24.0	20.2
19	Workers Compensation	1.0	3.0	0.6
19	Unemployment Insurance	0.2	0.1	0.1
19	Temporary Disability Insurance	0.2	0.2	---
19	Unused Sick Leave	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
	TOTAL	<u>37.6</u>	<u>45.1</u>	<u>40.3</u>

Effective July 1, 2015, the rates shall be used by all State agencies including the State's senior public colleges and universities for estimating and computing actual charges for fringe benefit costs related to Federal, Dedicated and Non-State programs. Rates previously established are obsolete.

In addition to these fringe benefit rates, the employer's share of FICA/Medicare taxes will be charged to Federal, Dedicated and Non-State funded programs at the rate imposed by the Federal Government applied to the specified taxable wage base. The rate for the Calendar Year 2015 was 6.20 percent of the first \$118,500 paid to each employee and 1.45 percent for gross wages. The rate for Calendar Year 2016 is 6.20 percent of the first \$118,500 of the gross wages for the Social Security portion, and 1.45 percent of gross wages (no ceiling) for the Medicare portion as established by the Federal Government.

<u>Object Account</u>	<u>Description</u>	<u>PERS etc.</u>	<u>Police and Firemen</u>	<u>State Police</u>
19	FICA	6.20	6.20	-
19	Medicare	<u>1.45</u>	<u>1.45</u>	<u>1.45</u>
	TOTAL	<u>7.65</u>	<u>7.65</u>	<u>1.45</u>



David Ridolfino
Acting Director