

## **Fringe Benefit Rate Proposal for FY 2023 & FY 2024**

### **Executive Summary**

The fringe benefit rate proposal was submitted to DHHS on December 22, 2021 and included rates to be negotiated for FY 2023 and FY 2024. Once approved, the FY 2023 rates will be fixed rates that will go into effect on July 1, 2022 and the FY 2024 rates will be provisional rates. The following is a summary of the rates for all fringe pool classes. The rates for FY 2025 and FY 2026 are projected for budgeting purposes only.

#### **Regular Pool**

Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Current Rates – Dec 2020	41.00	39.50	40.00	42.00	43.00	
Proposed Rates – Dec 2021		39.50	40.00	41.50	42.00	42.00
Fringe Benefit Costs	42.42	42.11	40.40	41.85	41.86	41.88
Carryover (in 000s)	10,314.4	1,799.6	378.6	-804.1	-316.3	103.9
Salary Base (in 000,000s)	317.1	325.8	354.6	338.7	342.1	345.5
Employee Headcount	6,614					

The FY 2023 regular fringe rate was submitted for approval at 40.0% which represents a half point increase from the FY 2022 rate. Actual expenses for FY 2021 were generally in line with projections. We anticipate a point and a half increase in the regular fringe rate to 41.5% for FY 2024 before getting back to the pre-pandemic rate of 42% for FY 2025 and FY 2026. We project to continue to fund the post-retirement health liability at a level of \$6 million annually through FY 2026.

#### **Post-Doctoral Pool**

Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Current Rates – Dec 2020	25.00	18.00	18.00	20.00	20.00	
Proposed Rates – Dec 2021		18.00	23.00	26.00	27.00	27.00
Fringe Benefit Costs	25.06	25.85	23.88	24.56	24.88	25.19
Carryover (in 000s)	726.1	-1,031.2	-1,246.7	-905.5	-390.9	47.9
Salary Base (in 000,000s)	20.5	22.4	24.4	23.8	24.2	24.7
Employee Headcount	618					

The FY 2023 postdoc fringe rate was submitted for approval at 23.0% which represents an increase of 5 points from the FY 2022 rate. The increase is being driven by higher than projected health care costs as well as an 18% increase in the postdoc salary pool. The FY 2022 rate was lowered by 7 points to work off the surplus created during the pandemic but with the surplus depleted faster than anticipated, the rate will need to be increased to align with costs.

## **Summer Pool**

Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Current Rates – Dec 2020	14.00	14.50	14.50	14.50	14.50	
Proposed Rates – Dec 2021		14.50	14.00	14.00	14.50	14.50
Fringe Benefit Costs	13.55	14.53	14.53	14.53	14.53	14.53
Carryover (in 000s)	248.0	240.4	94.2	-49.6	-57.9	-66.3
Salary Base (in 000,000s)	23.7	25.3	27.6	27.1	27.7	28.2
Employee Headcount	1,691					

The FY 2023 summer fringe rate was submitted for approval at 14.0% which represents a half point decrease from the FY 2022 rate. The rate is projected to remain at 14.0% for FY 2024 before increasing back to 14.5% for future years.

## **Graduate Pool**

Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Current Rates – Dec 2020	16.00	13.00	13.00	16.00	16.50	
Proposed Rates – Dec 2021		13.00	13.00	13.00	14.50	15.00
Fringe Benefit Costs	13.01	15.16	14.40	15.05	15.06	15.07
Carryover (in 000s)	3,276.2	2,116.2	1,291.8	115.8	-214.0	-258.3
Salary Base (in 000,000s)	51.1	53.7	59.0	57.5	58.6	59.8
Employee Headcount	3,743					

The FY 2023 graduate fringe rate was submitted for approval at 13.0% which remains unchanged from the FY 2022 rate. We project the rate remaining at 13.0% for FY 2024 as we continue to work off the surplus created by lower costs related to the Graduate Health Insurance Plan for the past two years.

## **Undergraduate Pool**

Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Current Rates – Dec 2019	5.00	6.00	6.00	6.00	6.00	
Proposed Rates – Dec 2020		6.00	6.00	6.00	6.00	6.00
Fringe Benefit Costs	4.95	5.64	5.64	5.64	5.64	5.64
Carryover (in 000s)	-64.8	-52.1	-38.3	-24.7	-10.9	3.3
Salary Base (in 000,000s)	3.0	3.5	3.8	3.8	3.8	3.9
Employee Headcount	1,152					

The FY 2022 undergraduate fringe rate was submitted for approval at 6.0% which remains unchanged from the FY 2022 rate. It is anticipated that the rate will remain at 6.0% through FY 2026.

## **SUNY IFR (NYS Rate)**

Type	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Current Rates – Dec 2020	57.71	61.85	59.76	60.00	61.25	
Proposed Rates – Dec 2021		61.85	63.72	62.40	63.39	64.39

In December 2021, the NYS Division of Budget revised the SUNY IFR fringe benefit rate projections for FY 2023 to 63.72% which represents an increase of 1.87 points from the FY 2022 rate. The increase relates to NYS deferring the employer portion of FICA expense for part of calendar year 2020 which was provided under the CARES Act stimulus funding. NYS is required to pay back half of the deferred FICA expense to the IRS in FY 2022 and will be paying back the other half in FY 2023. It is anticipated that the Office of the State Controller (OSC) will officially release the NYS fringe rates for FY 2023 in April.