Dear Research Community,

USF has received approval from the Department of Health and Human Services (DHHS) for our fringe benefit pool rates for the fiscal year beginning July 1, 2016. The fringe benefit rates will be 2.1% for permanent (full benefit) employees and 0.3% for temporary (OPS) employees. Information regarding the pooling process is presented below for your reference:

Covered Fringe Benefits
Terminal leave payouts, worker’s compensation insurance and unemployment benefits

Covered Fund Sources
Restricted funds; contracts and grants, convenience accounts, endowed chairs and research initiative accounts

Pooling
On a monthly basis, USF charges a “fringe benefit” expenditure to restricted funds based on a percentage of the total monthly salary expense. Two separate rates are applied for permanent employees (that earn leave) and temporary employees (OPS) who do not earn leave. The fringe benefit funds are accumulated in a central pool to fund terminal leave, workers’ compensation premiums, and unemployment benefits.

Terminal Leave Payout
At termination, eligible permanent employees are paid terminal leave based on audited balances in the Automated Leave Tracking (ALT) system. The terminal leave is paid using the employees ending pay distribution, with the pool substituting for any restricted funds.

Workers’ Compensation Premiums
USF makes premium payments to the Department of Financial Services (DFS) for risk management charges (i.e. workers’ compensation) based on DFS allocation to various activities. The Contract and Grant allocation is expensed to the pool.

Unemployment Benefits
USF is self-insured for unemployment benefits. The self-insurance is administered through the State of Florida. Unemployment claims are paid by the State and the state recovers the actual benefits provided from the University. When the University remits the funds to the State, benefits provided to former employees funded on restricted funds are reimbursed from the pool.

Fringe Benefit Rate
DHHS has approved a fringe benefit rate of 2.1% for permanent employees and 0.3% for temporary employees for FY2016-2017. These rates were developed using historical data for terminal leave payouts, worker’s compensation premiums, unemployment benefits and gross salaries charged to restricted funds.

Annual Rate Review and Adjustment
Theoretically, the fringe benefit pool should “zero out” each fiscal year. Any over or under recovery is rolled forward and factored into the following year’s fringe benefit rate calculation. On an annual basis, USF reviews the pool and adjusts the percentage(s) after receiving approval from DHHS, as necessary.