

MICHIGAN STATE UNIVERSITY

February 6, 2025

TO: Deans, Directors, Chairpersons and Executive Managers

FROM: Gregory J. Deppong, Associate Vice President and University Controller

SUBJECT: FRINGE BENEFIT CHARGES FOR FISCAL YEAR 2025-26

Below are the specific identification (SI) fringe benefit charges that will be in effect for fiscal year 2025-26 (beginning with payrolls posting after July 1, 2025). The SI health care charge to departments will increase to \$17,630 (full-time), and the miscellaneous rate will increase to 2%.

Based on recent experience and industry indicators, MSU is expecting significant increases in health care, prescription drug, and other benefit costs through the next several years. In response, the University will closely monitor actual results throughout the 2025-26 fiscal year and, if necessary, implement in year rate adjustments. Any changes will be communicated in advance.

Looking ahead to fiscal year 2026-27, for your budget planning, please expect a 10%-12% increase in the SI health care charge based on expected cost increases. However, the actual rate will be determined at this time next year.



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Type of Employee - % of Employment	Annual	FICA		
	Health/Dental/Rx (note 1)	Social Security (note 2)	Retirement (note 3)	Miscellaneous (note 4)
Faculty/Staff - Full-time (90% or greater)	\$17,630	7.65%	10%	2.0%
Faculty/Staff - 75% time	\$13,223	7.65%	10%	2.0%
Faculty/Staff - 50% time	\$8,815	7.65%	10%	2.0%
Research Associates (note 5)	\$8,743	7.65%	10%	2.0%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater)	\$13,592	7.65%	10%	2.0%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time	\$10,194	7.65%	10%	2.0%
Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time	\$6,796	7.65%	10%	2.0%
Temporary/on-call - less than 50%	\$0	7.65%	n/a	n/a

Notes:

- 1) Health costs on base wages. Charged on all ELIGIBLE employees, regardless of participation.
- 2) Social Security @ 6.2% on all earnings types to maximum (\$176,100 for calendar year 2025), Medicare @ 1.45% on all earnings types.
- 3) Retirement on base wages and others per labor contracts. Charged on all PARTICIPATING employees. The charge follows the university matching contribution percentages outlined on HR's website. Please visit their [403\(B\) Base Retirement Program](#) page for more information.
- 4) Miscellaneous on base wages. Includes unemployment compensation, workers' compensation, long-term disability, longevity, life insurance, employee tuition reimbursement and support staff vacation payouts.
- 5) For further information on Research Associates, the SI charging model and web-based budgeting tools, please visit [CGA Salary and Fringe Benefits](#).
- 6) A reduced charge for health/dental/Rx charges (retiree costs eliminated) will be assessed on Lecturers, Assistant Instructors, Instructor Interns, Instructor Residents, Residents and Interns.

