

MICHIGAN STATE UNIVERSITY

January 23, 2026

TO: Deans, Directors, Chairpersons and Executive Managers

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

SUBJECT: BENEFIT CHARGES FOR FISCAL YEAR 2026-27

Below are the specific identification (SI) benefit charges that will be in effect for fiscal year 2026-27 (beginning with payrolls posting after July 1, 2026). The SI health care charge to departments will increase to \$19,746 (full-time), and the miscellaneous rate will remain at 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 2026-27 fiscal year and, if necessary, implement in year rate adjustments. Any changes will be communicated in advance.

Looking ahead to fiscal year 2027-28, 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) | \$19,746 | 7.65% | 10% | 2.0% |
| Faculty/Staff - 75% time | \$14,810 | 7.65% | 10% | 2.0% |
| Faculty/Staff - 50% time | \$9,873 | 7.65% | 10% | 2.0% |
| Postdoctoral Scholar (note 5) | \$9,792 | 7.65% | 10% | 2.0% |
| Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - Full-time (90% or greater) | \$15,223 | 7.65% | 10% | 2.0% |
| Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 75% time | \$11,417 | 7.65% | 10% | 2.0% |
| Lecturer, Asst. Instructor, Instructor Resident, Instructor Intern, Resident & Intern (note 6) - 50% time | \$7,612 | 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 (\$184,500 for calendar year 2026), 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 Postdoctoral Scholars (formerly 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.