The new University rate agreement negotiated with Division of Cost Allocation (DCA) on behalf of the Department of Health and Human Services (DHHS) is dated March 14, 2014. The agreement establishes updated fringe benefit rates which are in effect July 1, 2013 until amended. (Note that F&A rates from the agreement dated March 12, 2013 have not been updated and are still in effect.) The table below outlines the approved change in rates.

<table>
<thead>
<tr>
<th>Fringe Benefit Rate</th>
<th>Rates Effective 7/1/2013 – 6/30/2014</th>
<th>Rates Effective 7/1/14 – 6/30/15</th>
<th>Rates Effective 7/1/15 – until amended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exempt</td>
<td>32.4%</td>
<td>29.5%</td>
<td>30.8%</td>
</tr>
<tr>
<td>Non-Exempt</td>
<td>54.6%</td>
<td>56.9%</td>
<td>55.2%</td>
</tr>
<tr>
<td>Part Time</td>
<td>7.8%</td>
<td>8.6%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

Effective Tuesday, June 17th the new rates should be used in all federal grant and contract proposal budgets.¹

Proposal Development (PD) Impact
The new federal fringe rates will be updated in the PD module after business hours on Monday, June 16th.

- Budgets that meet the following criteria must be updated to reflect the new fringe rates:
  - Budget is in a PD record that was created prior to the close of business on Monday, June 16th.
  - The status of the PD record is In Development (the record has not been submitted for routing).
- Please follow the steps outlined in Quick Guide: Updating Fringe Benefit Rates to update your budget.
  - Please note that fringe rates will not update unless the steps outlined in this document are followed.
- This change will not impact budgets that have already been submitted. You will be unable to update budgets in PD that have already been submitted to external sponsors.

If you have any questions, please follow up with your GCA Reviewer.

¹ PD records that have already been submitted for routing do not need to be updated or changed.