

**University of Colorado Boulder
Fringe Benefit Rate Calculation**

(Updated September 2010)

The fringe benefit rate calculation uses the most recent fiscal year actual amounts to calculate future fiscal year benefit rates. These figures form the basis for projecting current year salary and benefits activity, which are used in turn to project the fringe benefit and salary expenses for the following year. Calculations of the estimated fringe benefit expenses determine the rate necessary to adequately fund projected fringe benefits expenses based on estimated changes to employer contributions.

The chart below graphically displays the two year lag in actual expenses and the inclusion of calculated carryforwards. The campus is required by federal rules to include the prior year's surplus or deficit (carry forward) in the following year's rates.

Fringe benefit rates are submitted to the U.S. Department of Health and Human Services, Division of Cost Allocation, the campus cognizant agency, by the end of December annually.

