MEMORANDUM

To: Distribution List

From: Beth Whitfield

Date: May 9, 2014

Re: Fringe Benefit Rates

The Department of Health and Human Services (DHHS) has now formally approved Duke University’s federal fringe benefit rates for FY15. The negotiated rates for FY15 and the projected rates for FY16 and FY17 are summarized below. These fringe benefit rates should be used for budgeting, out year planning, and preparing grant applications that cross fiscal years. Please note, the FY16 and FY17 rates are lower than previous projections due to updated trend information. Most notably, there has been a favorable trend in health care benefits. The FY16 and FY17 projected rates are preliminary estimates and will likely change based on the fringe benefit rate analysis and projection process that occurs this fall.

<table>
<thead>
<tr>
<th></th>
<th>Faculty/ Monthly Staff</th>
<th>House Staff/ Postdocs</th>
<th>Hourly Staff</th>
<th>Students</th>
<th>PhD Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14/15 Budget Non-Federal</td>
<td>26.2%</td>
<td>16.9%</td>
<td>23.6%</td>
<td>7.7%</td>
<td>9.1%</td>
</tr>
<tr>
<td>FY 14/15 Budget Federal</td>
<td>24.3%</td>
<td>16.9%</td>
<td>22.8%</td>
<td>7.7%</td>
<td>9.1%</td>
</tr>
<tr>
<td>FY 15/16 Projected Non-Federal</td>
<td>25.0%</td>
<td>15.4%</td>
<td>21.5%</td>
<td>7.7%</td>
<td>9.4%</td>
</tr>
<tr>
<td>FY 15/16 Projected Federal</td>
<td>22.9%</td>
<td>15.4%</td>
<td>20.8%</td>
<td>7.7%</td>
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<tr>
<td>FY 16/17 Projected Non-Federal</td>
<td>25.3%</td>
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</tr>
</tbody>
</table>

It is important to note, the trend in actual benefits compared to budget has been extremely favorable over the past few years, bringing rates down artificially. As we continue to revise the budgets to be more precise, the rates are anticipated to return to historic (higher) levels starting in FY18.

Note:
1) The “Federal” rates will be used for federal grants and contracts, Duke Regional Hospital (Co 0050), Duke Raleigh Hospital (Co 0060), and Associated Health Systems (Co 0051). The differentiation between Federal and Non-Federal reflects elimination of participation and reimbursement of the child tuition grant benefit program for the afore-mentioned entities and funding sources.

2) The “Non-Federal” rates will be used for all other entities including non-federal grants, contracts, departments, etc.

This memo and the DHHS approved rate agreement will be posted on the Financial Services web site at http://www.finsvc.duke.edu/resources/docs.php#fringe.

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