MORGAN STATE UNIVERSITY

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March 30, 2018

**Re: 2018 Aggregate Rate Applicable to Grant and Contract Proposals**

The fringe benefit rate is expressed as a percentage of salary in preparation of a grant and/or contract cost proposal and ultimately billable at actual cost. For fiscal year 2018, the aggregate fringe benefit rate for grant and contract proposals is 42% as outlined below, and will be used on all proposals beginning January 1, 2018.

Although the rates for social security, retirement, unemployment, and workers' compensation are relatively stable, health insurance rates could change significantly. Should you choose to use a dollar figure for health insurance, $15,000 per employee would be appropriate.

| | |
|---|---|
| Health Insurance | 18.0% |
| Social Security | 7.5% |
| Retirement | 15.5% |
| Unemployment & Workers Compensation | 1.0% |
| **Total Fringe Benefit %** | **42.0%** |

The fringe rate for contractual employees will be 9%, to include social security, unemployment, and workers' compensation, plus an additional $12,000 for healthcare.

If you require additional clarification or information, please do not hesitate to contact me at (443) 885-3144.

Sincerely,

Mr. Sidney H. Evans, Jr.
Vice President for Finance and Management

SHE/MH

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