

To: Contract & Grants Officers; Vice Chancellors - Administration

Subject: Calculation and Documentation of Employee Benefit Rates and Salary Projections

Background

The estimated costs proposed in an extramural proposal budget are, to the extent possible, based on actual documentation for the estimated expenses available to campus personnel. Documentation of anticipated expenses provides justification for the proposed budget line-items and an appropriate basis for Principal Investigators to estimate the costs of a proposed project. Additionally, [FAR 15.403](#) requires that the offeror certify that the cost or pricing data in a proposal are accurate for federal contracts or subcontracts expected to exceed \$650,000. Specific data could potentially be requested to back-up a proposed budget.

In the past, the Office of the President Research Administration Office (restructured into Research Policy Analysis & Coordination) has provided systemwide estimates for benefit rates and salary projections for use on extramural proposal budgets and for documentation of these proposed costs. After the last operating guidance memo on this subject was published in 2001 (www.ucop.edu/raohome/cgmemos/sup99-01.htm), campuses were informed that future determination of benefits rates and salary projections should be determined by and documented at a campus level.

While the memos published by Research Administration Office (RAO) with this data continue to be useful in providing information about how such rates are determined, the actual rates themselves are now calculated at a campus level. The three RAO memos covering salary and benefit rates were cancelled but are still available online for background information. They are:

97-11 Revised Salary Range Projections (12/10/97)
www.ucop.edu/raohome/cgmemos/97-11.html

99-01 Revised Employee Benefit Projections (1/14/99)
www.ucop.edu/raohome/cgmemos/99-01.html

99-01 Sup. 1 Revised Employee Benefit Projections (11/30/01)
www.ucop.edu/raohome/cgmemos/sup99-01.htm

Current Guidance

As components for the University's benefits may change in price annually, campus departments and Sponsored Projects Offices should now rely on projected benefit rates provided by their respective campus Human Resources, Budget or Costing Policy Offices. For example, specifically with regard to the University's retirement (UCRP) contributions, the projected escalation of these rates approved by The Regents in September 2010 (see attached letter) is:

April 15, 2010 to June 30, 2011	4%
July 1, 2011 to June 30, 2012	7%
July 1, 2012 to June 30, 2013	10%

Prospective future rates **not yet approved** by The Regents are:

July 1, 2013	12%
July 1, 2014	14%
July 1, 2015	16%
July 1, 2016	18%
July 1, 2017	20%

For changes to all other components of the benefits rate and for determination of projected rates Please consult with the appropriate office on your campus and advise your departmental proposal budget preparers of the applicable campus documentation for salary and benefit rates and projections.

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Attachment: Regents UCRP Letter

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