LSU

Finance & Administration

June 5, 2015

To: President Alexander
Vice President Richardson
Executive Director Cefalu
Deans, Directors, and Department Heads

Re: Fringe Benefit Rates Applied to Sponsored Agreements during FY 2015-2016

Fringe benefit rates have been established for FY 2015-2016 pursuant to the requirements of 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The rates effective for July 1, 2015 through June 30, 2016 are as follows:

Louisiana State University, including Pennington Biomedical Research Center	
Employees	42.00%
Graduate assistants – Tuition Remission	35.00%*
Contingent/WAE labor (object code 1220/1250)	7.65%
PBRC non-student employees with "F" or "J" visa (object code 1100)	42.00%
LSU Agricultural Center	
Employees	44.00%
Graduate assistants – Tuition Remission	35.00%*
Federal employees	33.00%
Contingent/WAE labor (object code 1220/1250)	7.65%

**While the approved Tuition Remission rate for graduate assistants is 38%, the university will recover 35% during FY 2016.*

LSU rates indicated above for employees and contingent labor apply to both new and existing sponsored agreements – including gifts and expired fixed price agreements. The tuition remission rate applies to new sponsored agreements and all gifts and expired fixed price agreements.

Effective immediately, these rates apply to new proposals and requests for new, supplemental funding to existing awards. The policies for Ag Center and PBRC may differ.

The fringe benefit rate for graduate assistants' health insurance is included in the rate agreement, however, beginning July 1, 2015 it will not be charged to sponsored agreements. The University has learned that the federal Affordable Care Act (ACA) prohibits underwriting private insurance selectively for groups of employees. Graduate students are considered employees by the Internal Revenue Service. Therefore, the University is unable to continue providing a stipend toward the cost of health insurance for graduate assistants.

If clarification or additional information is needed, please contact Elahe Russell, LSU (578-1639 or erussell@lsu.edu); Jan Bernath, Ag Center (578-4645 or jbernath@agcenter.lsu.edu); or Monica Mougeot, PBRC (763-0915 or monica.mougeot@pbrc.edu).

Daniel T. Layzell
Vice President for Finance and Administration/CFO

Kalliat T. Valsaraj
Vice President for Research and Economic Development

xc: Executive Vice President and Provost Stuart Bell, Ms. Donna Torres, Ms. Elahe Russell, Ms. Keri Tweed, Ms. Janet Parks, Ms. Winona Ward, Mr. Guy LaVergne, Ms. Monica Mougeot, Ms. Jan Bernath, ASP Members

Louisiana State University
330 Thomas Boyd Hall
Baton Rouge, LA 70803

O 225-578-3386
F 225-578-5403
www.fas.lsu.edu