CIRCULAR

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY

NO.: 08-12-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 2
EFFECTIVE DATE: 07/01/07	EXPIRATION DATE: 06/30/08	SUPERSEDES: 07-07-OMB
SUBJECT: "EMPLOYEE BENEFIT" REIMBURSEMENT RATES		
ATTENTION: AGENCY FISCAL AND PERSONNEL OFFICERS		
FOR INFORMATION CONTACT: ANNE FLETCHER		PHONE: (609) 984-8261

The Office of Management and Budget has negotiated with the United States Department of Health and Human Services for a composite fringe benefit rate of 25.50% of base salaries for the year ending June 30, 2008. The rate is applicable to the personnel who are members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Teachers' Alternate Benefit Plan (TABP), and all employees who are not members of a pension plan, but are covered for health benefits. In addition, a rate of 36.30% for the Police and Firemen has also been negotiated. These negotiated rates are to be used for all Non-State funded sources.

The State Police fringe benefit rate for the year ending June 30, 2008, will be 37.80% for Non-State funded programs other than Federal.

Actual charges to Federal, Dedicated and Non-State funded programs will be reflected on the base salaries (salaries excluding overtime pay and part-time employees).

Object Account	Description	PERS etc.	Police and Firemen	State Police
19	Pension	6.03	15.12	16.58
19	Health Benefits (Including Prescription Drug And Dental Care Programs)	18.27	19.04	20.47
19	Workers Compensation	.74	1.74	.58
19	Unemployment Insurance	.11	.10	.08
19	Temporary Disability Insurance	.21	.19	---
19	Unused Sick Leave	.14	.11	.09
	TOTAL	25.50	36.30	37.80

Effective July 1, 2007, the rates shall be used by all State agencies including State colleges for estimating and computing actual charges for fringe benefit costs related to Federal, Dedicated and Non-State programs. Rates previously established are obsolete.

In addition to these fringe benefit rates, the employer's share of FICA/Medicare taxes will be charged to Federal, Dedicated and Non-State funded programs at the rate imposed by the Federal Government applied to the specified taxable wage base. The rate for the calendar year 2007 is 6.20% of the first $97,500 paid to each employee and 1.45% for gross wages. You will be notified of the rate for calendar year 2008 when it is promulgated by the Federal Government.

Object Account	Description	PERS etc.	Police and Firemen	State Police
19	FICA	6.20	6.20	6.20
19	Medicare	1.45	1.45	1.45
	TOTAL	7.65	7.65	7.65

Charlene M. Holzbaur
Director