CIRCULAR

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY

NO.: 27-06-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 2
EFFECTIVE DATE: 07/01/2026	EXPIRATION DATE: 06/30/2027	SUPERSEDES: 26-06-OMB
SUBJECT: "EMPLOYEE BENEFIT" REIMBURSEMENT RATES		
ATTENTION: AGENCY FISCAL AND PERSONNEL OFFICERS		
FOR INFORMATION CONTACT: LESLIE.NOTOR@TREAS.NJ.GOV		

The Office of Management and Budget has proposed to the United States Department of Health and Human Services a composite fringe benefit rate of 58.4 percent of base salaries for the year ending June 30, 2027. The rate is applicable to personnel who are members of the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), Teachers' Alternate Benefit Plan (TABP), Defined Contribution Retirement Program (DCRP), and all employees who are not members of a pension plan but are covered for health benefits. A fringe benefit rate of 112.6 percent has been proposed for the Police and Firemen. These proposed rates are to be used for all Non-State funded sources.

The State Police fringe benefit rate is 84.1 percent for Non-State funded programs. The PERS fringe benefit rate of 58.4 percent should be used for all State Police federally-funded programs.

Actual charges to Federal, Dedicated, and Non-State funded programs will be reflected on the base salaries. **NOTE**: Salaries exclude overtime pay and part-time employees that are not members of a pension plan or not covered for health benefits.

Effective July 1, 2026, the rates shall be used by all State agencies including the State's senior public colleges and universities for estimating and computing actual charges for fringe benefit costs related to Federal, Dedicated, and Non-State programs. Rates previously established are obsolete.

Object Account	Description	PERS etc.	Police and Firemen	State Police
19	Pension Costs	26.8	82.9	61.8
19	Health Benefits (Including Prescription Drug and Dental Programs)	30.1	25.2	21.2
19	Workers' Compensation	1.0	4.1	1.0
19	Unemployment Insurance	0.1	0.1	0.0
19	Temporary Disability Insurance	0.3	0.2	0.0
19	Unused Sick Leave	0.1	0.1	0.1
	TOTAL	58.4	112.6	84.1

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 2026 was 6.20 percent of the first $184,500 of the gross wages for the Social Security portion, and 1.45 percent of gross wages (no ceiling) for the Medicare portion. The rate and wage base limit for Calendar Year 2027 will be available in Publication 15 (2027), (Circular E), Employer's Tax Guide from the Internal Revenue Service once it is published.

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

Tariq Shabazz

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Acting Director