



# CIRCULAR

## STATE OF NEW JERSEY

### DEPARTMENT OF THE TREASURY

NO.: 25-05-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 2
EFFECTIVE DATE: 07/01/2024	EXPIRATION DATE: 06/30/2025	SUPERSEDES: 24-11-OMB
SUBJECT: "EMPLOYEE BENEFIT" REIMBURSEMENT RATES		
ATTENTION: AGENCY FISCAL AND PERSONNEL OFFICERS		
FOR INFORMATION CONTACT: LESLIE A. NOTOR		PHONE: 609-292-5040

The Office of Management and Budget has negotiated with the United States Department of Health and Human Services a composite fringe benefit rate of 63.8 percent of base salaries for the year ending June 30, 2025. 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 123.3 percent has been negotiated for the Police and Firemen. These negotiated rates are to be used for all Non-State funded sources.

The State Police fringe benefit rate is 86.8 percent for Non-State funded programs. The PERS fringe benefit rate of 63.8 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, 2024, 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.

<u>Object Account</u>	<u>Description</u>	<u>PERS etc.</u>	<u>Police and Firemen</u>	<u>State Police</u>
19	Pension Costs	30.1	89.9	64.7
19	Health Benefits (Including Prescription Drug and Dental Programs)	32.0	27.9	21.3
19	Workers' Compensation	1.2	5.1	0.7
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		63.8	123.3	86.8

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 2024 was 6.20 percent of the first \$168,600 of the gross wages for the Social Security portion, and 1.45 percent of gross wages (no ceiling) for the Medicare portion. The rate for Calendar Year 2025 is 6.20 percent of the first \$176,100 of the gross wages for the Social Security portion, and 1.45 percent of gross wages (no ceiling) for the Medicare portion.

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

**Tariq Shabazz**

Tariq Shabazz  
Acting Director