MEMORANDUM

DATE: April 3, 2014
TO: All locations of the University of Arkansas
FROM: Jean Schook, Associate Vice Chancellor for Finance
RE: FY15 Fringe Benefit Rates

Please find below the fringe benefits rates for FY2015, which were approved on March 24, 2014 and signed today. The rates are effective for the following locations: Agriculture Experiment Station, Archeological Survey, Criminal Justice Institute, Fayetteville Campus, and System Office.

Department or College budget administrators with questions concerning these rates should contact me at jschook@uark.edu or 575-8668.

<table>
<thead>
<tr>
<th>Benefits Group 1: Students</th>
<th>0.1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes</td>
<td></td>
</tr>
<tr>
<td>Student Hourly (non work-study)</td>
<td></td>
</tr>
<tr>
<td>Work study</td>
<td></td>
</tr>
<tr>
<td>Graduate Student (Summer Research)</td>
<td></td>
</tr>
<tr>
<td>Graduate Student (Summer Teaching)</td>
<td></td>
</tr>
<tr>
<td>Fringe %</td>
<td></td>
</tr>
<tr>
<td>Worker's Compensation</td>
<td>0.1%</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Benefits Group 2: Hourly Wages and Other Compensation</th>
<th>5.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Includes</td>
<td></td>
</tr>
<tr>
<td>Hourly, non-student</td>
<td></td>
</tr>
<tr>
<td>Overtime</td>
<td></td>
</tr>
<tr>
<td>Awards and Allowances</td>
<td></td>
</tr>
<tr>
<td>Lump Sum payments</td>
<td></td>
</tr>
<tr>
<td>Razorback Foundation</td>
<td></td>
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<tr>
<td>Special</td>
<td></td>
</tr>
<tr>
<td>University Foundation</td>
<td></td>
</tr>
<tr>
<td>Salary, classified at 0-49% appt</td>
<td></td>
</tr>
<tr>
<td>Salary, non-classified at 0-49% appt</td>
<td></td>
</tr>
<tr>
<td>Fringe %</td>
<td></td>
</tr>
<tr>
<td>Worker's Compensation</td>
<td>0.1%</td>
</tr>
<tr>
<td>Unemployment contributions</td>
<td>0.2%</td>
</tr>
<tr>
<td>FICA &amp; Medicare taxes</td>
<td>6.4%</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>
### Benefits Group 3: Graduate Assistants

<table>
<thead>
<tr>
<th>Fringe %</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker's compensation</td>
<td>0.1%</td>
</tr>
<tr>
<td>Medical (Grad Assts)</td>
<td>3.5%</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

### Benefits Group 4: Summer Salaries and Annual Leave

<table>
<thead>
<tr>
<th>Includes</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Annual Leave</td>
<td></td>
</tr>
<tr>
<td>Extra Compensation, Credit</td>
<td></td>
</tr>
<tr>
<td>Extra Compensation, non-credit</td>
<td></td>
</tr>
<tr>
<td>Extra Compensation, Service</td>
<td></td>
</tr>
<tr>
<td>Service Award</td>
<td></td>
</tr>
<tr>
<td>Summer Research</td>
<td></td>
</tr>
<tr>
<td>Summer Teaching</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fringe %</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker's Compensation</td>
<td>0.1%</td>
</tr>
<tr>
<td>Unemployment contributions</td>
<td>0.2%</td>
</tr>
<tr>
<td>FICA &amp; Medicare taxes</td>
<td>7.3%</td>
</tr>
<tr>
<td>Retirement</td>
<td>8.4%</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>-1.0%</td>
</tr>
</tbody>
</table>

### Benefits Group 5: Benefits-eligible Appointed Employees

<table>
<thead>
<tr>
<th>Includes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary, Classified at 50-99% appt</td>
<td></td>
</tr>
<tr>
<td>Salary, non-classified at 50-99% appt</td>
<td></td>
</tr>
<tr>
<td>Salary, Classified at 100% appt</td>
<td></td>
</tr>
<tr>
<td>Salary, Non-classified at 100% appt</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fringe %</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker's Compensation</td>
<td>0.1%</td>
</tr>
<tr>
<td>Unemployment contributions</td>
<td>0.2%</td>
</tr>
<tr>
<td>FICA &amp; Medicare taxes</td>
<td>6.8%</td>
</tr>
<tr>
<td>Medical</td>
<td>9.7%</td>
</tr>
<tr>
<td>Retirement</td>
<td>8.3%</td>
</tr>
<tr>
<td>Life</td>
<td>0.2%</td>
</tr>
<tr>
<td>Long-term Disability</td>
<td>0.1%</td>
</tr>
<tr>
<td>Dental</td>
<td>0.5%</td>
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<tr>
<td>Flexible Benefit Plan</td>
<td>0.0%</td>
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<tr>
<td>Employee Assistance Program</td>
<td>0.1%</td>
</tr>
<tr>
<td>Employee Fee Discount</td>
<td>0.5%</td>
</tr>
<tr>
<td>Termination Pay</td>
<td>0.4%</td>
</tr>
<tr>
<td>Current/Prior year adjustment</td>
<td>-1.3%</td>
</tr>
</tbody>
</table>

Please Note: The Benefits Group 5 rate contains 0.4% for a benefit titled “termination pay”. This represents payments made to terminating employees for annual leave and sick leave payout. When implemented, beginning with the 2nd hourly payroll of July and forward, any payments processed on compensation codes AL and SL will be charged to a central administrative cost center, NOT to the cost center(s) to which the terminated employee’s salary was distributed at the time of termination. This is NOT applicable to normal sick and annual leave for employees merely sick or on vacation – it is only applicable to appropriate payments made at termination.