

FRINGE BENEFIT RATE POLICY

Purpose and Overview:

BAER Institute utilizes a Composite Benefit Rate (CBR) structure to provide consistency in budgeting and cost allocation. The CBR is a set rate applied to salaries to cover the cost of employee benefits, as opposed to an individually calculated benefit rate. It creates a predictable percentage that can be applied to various projects and departments, facilitating easier financial planning. It prevents some projects from bearing disproportionately high benefit costs due to fluctuations in employee-specific benefits, which allows for pricing consistency across all projects.

Rates by Employment Type:

- **Full-Time Staff:** 38%
- **Part-Time Staff:** 20%
- **Temporary/Casual Staff:** 10%

Employees are considered full-time at 75% or greater Work Year Equivalent (WYE), part-time at less than 75%, or temporary/casual when they are a short-term employee.

Composition of Fringe Benefits:

Fringe Benefits include medical insurance, dental insurance, vision insurance, workers compensation, 403b, payroll taxes, and other taxable fringe benefits.

Note that these rates are an average across all eligible employees rather than specific to individuals.

Budget Justification Language:

BAER Institute utilizes a Composite Benefit Rate structure. The rates for staff are: 38% regular full-time, 20% regular part-time, and 10% temporary/casual.

Annual Review and Adjustment:

The rate structure is reviewed on an annual basis using actual costs in combination with estimated rate increases from our insurance adjuster.