



TO: Vice Chancellors, Deans, Directors, Department Heads & Principal Investigators
FROM: Patricia Overko, Controller & Director of Fiscal Operations
CC: Finance & Administration Advisory Group and Business Managers
SUBJECT: FY 2023 Fringe Benefit and Payroll Tax Rates
DATE: September 7, 2022

The University assesses the cost of fringe benefits and payroll taxes based on the state's approved rates. The rates are established in accordance with an agreement between the Commonwealth of Massachusetts and the U.S. Department of Health and Human Services (DHHS). The State Comptroller has notified the University that the following rates have been approved for FY 2023:

Fringe benefit rate (Incl. health insurance, pension & terminal leave)	39.50% of regular (benefited) employee compensation
Payroll tax rate (aka Blended rate Incl. unemployment, universal health, medicare & PFML tax)	1.85% of compensation for regular & contract employees

In addition, other required payroll-related charges will continue to be assessed during FY 2023 as follows:

Health & welfare	\$33/bi-weekly per FTE*
Worker's compensation	0.26% of compensation for regular & contract employees**

The fringe benefit and payroll tax rates have been updated in the university's payroll and finance systems and are effective as of 7/1/2022. If you have questions about these costs, you may contact the Controller's Office at controllers.office@umb.edu.

* This rate is established in accordance with collective bargaining agreements.

** This rate was approved in a rate agreement with the U.S. DHHS and University of Massachusetts Boston