June 5, 2015

To: President Alexander  
   Vice President Richardson  
   Executive Director Cefalu  
   Deans, Directors, and Department Heads

Re: Fringe Benefit Rates Applied to Sponsored Agreements during FY 2015-2016

Fringe benefit rates have been established for FY 2015-2016 pursuant to the requirements of 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The rates effective for July 1, 2015 through June 30, 2016 are as follows:

**Louisiana State University, including Pennington Biomedical Research Center**

- Employees: 42.00%
- Graduate assistants – Tuition Remission: 35.00%
- Contingent/WAE labor (object code 1220/1250): 7.65%
- PBRC non-student employees with “F” or “J” visa (object code 1100): 42.00%

**LSU Agricultural Center**

- Employees: 44.00%
- Graduate assistants – Tuition Remission: 35.00%
- Federal employees: 33.00%
- Contingent/WAE labor (object code 1220/1250): 7.65%

*While the approved Tuition Remission rate for graduate assistants is 38%, the university will recover 35% during FY 2016.*

LSU rates indicated above for employees and contingent labor apply to both new and existing sponsored agreements – including gifts and expired fixed price agreements. The tuition remission rate applies to new sponsored agreements and all gifts and expired fixed price agreements.

Effective immediately, these rates apply to new proposals and requests for new, supplemental funding to existing awards. The policies for Ag Center and PBRC may differ.

The fringe benefit rate for graduate assistants’ health insurance is included in the rate agreement, however, beginning July 1, 2015 it will not be charged to sponsored agreements. The University has learned that the federal Affordable Care Act (ACA) prohibits underwriting private insurance selectively for groups of employees. Graduate students are considered employees by the Internal Revenue Service. Therefore, the University is unable to continue providing a stipend toward the cost of health insurance for graduate assistants.

If clarification or additional information is needed, please contact Elahe Russell, LSU (578-1639 or erussell@lsu.edu); Jan Bernath, Ag Center (578-4645 or jbernath@agecenter.lsu.edu); or Monica Mougeot, PBRC (763-0915 or monica.mougeot@pbrc.edu).

xc: Executive Vice President and Provost Stuart Bell, Ms. Donna Torres, Ms. Elahe Russell, Ms. Keri Tweed, Ms. Janet Parks, Ms. Winona Ward, Mr. Guy LaVergne, Ms. Monica Mougeot, Ms. Jan Bernath, ASP Members