UNIVERSITY *of* ARKANSAS
AT PINE BLUFF
1873

Human Resources

TO: Vice Chancellors, Deans, Directors, Department Heads, and Budget Managers

FROM: Mr. Christopher Hickman, CFE
Director of Administration Services

DATE: June 23, 2026

SUBJECT: **Updated Fringe Benefit Rate for Salary Budget Planning**

Effective immediately, all departments should utilize a **25% fringe benefit rate** when preparing salary budgets, budget projections, grant proposals, position requests, and other financial planning activities involving personnel costs.

The 25% fringe rate is intended to provide a standardized estimate of the University's employer-paid benefit costs associated with employee compensation, including but not limited to retirement contributions, payroll taxes, insurance benefits, and other applicable fringe expenses.

Budget Calculation Example

- Annual Salary: $50,000
- Fringe Benefits (25%): $12,500
- Total Personnel Cost: $62,500

Departments should apply the 25% fringe rate to all future salary budgeting calculations unless otherwise directed by the Office of Finance and Administration or specific grant requirements. This change is intended to improve budget accuracy and ensure consistency across institutional planning and resource allocation processes.

Questions regarding the application of the fringe rate should be directed to the Office of Finance and Administration.

Thank you for your cooperation and attention to this update.

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