Background

The University of Cincinnati understands that fringe benefits are a key component of total compensation and a meaningful factor in the recruitment and retention of talented employees regardless of funding source. Depending on employee group and choices, the major categories of fringe benefits may include health and dental care insurance, retirement contributions, life and disability insurance, tuition remission, and sick and vacation time off and payout.

This policy addresses general funds fringe benefits for the university’s Uptown Campus and related procedures and reviews. The fringe benefit fund for all sources of benefit cost and expenditure is listed as a structural overdraft as defined by university policy.

Policy

Organizational units in the general fund are responsible for funding fringe benefits associated with the changing of budgeted salaries of employees in their respective areas. The following standards for fringe benefits funding apply to all benefits-eligible employee groups.

- Any increase to a salary budget, one-time or permanent, outside of planned institutional annual increases must provide the associated increase of funding for fringe benefits.
- Fringe benefit budgets shall not be used for any purpose other than funding benefits expense. The use of benefits budgets for one-time and permanent budget reductions is prohibited.
- Any decrease to salary budgets, one-time or permanent, will not produce benefits dollars to be transferred or used for any other purpose.
- If at fiscal year-end, a unit’s actual salaries exceed the salary budget, the salary budget deficit will be carried forward to the next fiscal year and the unit will be required to fund on a one-time basis the salary and the associated benefits deficits. Furthermore, if the salary spending that caused the prior year’s deficit will continue in the current year, the salary and benefits budgets
must be funded on a permanent basis so there is no continuing salary or benefit budget deficit.

**Related links:**
- Operating Cash Policy
- Structural Deficit Policy
- University Rules

**Phone Contacts:**
- Office of Budget and Financial Services  556-0192