

SEAN SCANLON
STATE COMPTROLLER



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STATE OF CONNECTICUT
OFFICE *of the* STATE COMPTROLLER
165 Capitol Ave.
Hartford, CT 06106

MEMORANDUM NO. 2025-07

January 27, 2025

TO THE HEADS OF ALL STATE AGENCIES

Attention: Chief Fiscal Officers or Business Managers

Subject: Statewide Cost Allocation Plan for the Fiscal Year 2024-2025

Attached is the approved **2024-2025 Statewide Cost Allocation Plan**, dated December 30, 2024.

Section I: Costs Distributed through Statewide Cost Allocation

This section contains the approved fixed central service costs by grantee agencies as listed in Exhibit A. The costs are to be incorporated into agency indirect cost proposals prepared using the appropriate fiscal year costs and other cost statements based upon the same fiscal year costs.

All state agencies receiving Federal or any other grants, or private funds, etc., **must** compute an indirect cost rate for each fiscal year of their Federal or other programs. The proposal is to be submitted for approval to the agency's cognizant Federal department or agency within six months after the close of each fiscal year. Generally, Federal cognizance of a particular state agency is assigned to that Federal department with the largest dollar involvement.

This indirect cost rate shall enable the State to recover both agency and statewide indirect costs as permitted by Federal regulations.

Central service costs are distributed to various "super agencies" and an "all others" category. ***Please note - the super agencies listed in Exhibit A typically contain more than one state agency.***

REQUESTS FOR A BREAKDOWN OF COSTS ALLOCABLE TO A PARTICULAR STATE AGENCY CONTAINED WITHIN THESE LARGER ORGANIZATIONAL STRUCTURES SHOULD BE ADDRESSED TO:

**Office of the State Comptroller
Budget and Financial Analysis Division - Cost Unit
165 Capitol Avenue
Hartford, Connecticut 06106-1775**

Section II: Costs Distributed through Billing Mechanisms

The categories listed in Section II of the SWCAP are approved to have their costs billed to Federal programs directly as the services or goods provided for herein are used by the programs.

Fringe Benefit Cost Recovery

The approved 2024-2025 fixed fringe benefit recovery rates for Unemployment Compensation and Retirement plans for covered payroll are listed in Exhibit B. The approved 2024-2025 fringe benefit recovery actual costs for Medical Insurance, Group Life Insurance, FICA-Social Security, FICA-Medicare for covered payroll are directly identified by individual employee.

Covered payroll is all personal services expenditures for positions paid from Federal grants, Grants other than Federal, and other than General Fund accounts.

Fringe Benefit actual cost components for Medical Insurance, Group Life Insurance, FICA-Social Security, and FICA-Medicare are used along with the negotiated rates for Unemployment Compensation and the applicable Retirement plan.

For informational purposes, listed below are the breakdowns of the statewide fringe benefit recovery rates by fringe benefit component. These rates were originally published in **Memorandum No. 2024-12**, dated July 1, 2024.

<u>Component</u>	<u>FY 2024-25 Rate</u>
SERS - Regular Employees	47.48%
Alternate Retirement Plan	11.51%
Teachers Retirement Plan	30.81%
SERS - Hazardous Duty	72.53%
Judges/Compensation Commissioners	68.81%
Unemployment Compensation	0.00%

In addition, the rates listed below have been calculated based on the existing Federal tax rates.

FICA-Social Security Tax Rate (of applicable wages up to Federal maximum limit)	6.20%
FICA-Medicare Tax Rate (of applicable wages - no maximum limit)	1.45%

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Workers' Compensation Costs. Any agency Indirect Cost Proposal or Cost Allocation Plan based on the costs of FY 2025 should include the 2024-2025 Statewide Cost Allocation Plan cost allocated to the agency and the actual cost of workers' compensation claims paid on behalf of the agency during the 2024-2025 fiscal year.

Agencies with a specific Worker's Compensation appropriation should use the total expenditures of that appropriation in their Indirect Cost Proposal or Cost Allocation Plan.

For all other agencies, a separate schedule of 2024-2025 Workers' Compensation costs paid on their behalf will be published at a later date when available. The published Workers' Compensation amounts should be included in these agencies' Indirect Cost Proposals or Cost Allocation Plans.

If you have any questions regarding this memorandum please call the Cost Reporting Unit, Budget and Financial Analysis Division at 860-702-3416.

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