

Updated 4-07

PPS Entry for Postdoctoral Scholars

Assigned BELI code

P Use this code for postdoc scholars in title codes 3252, 3253, 3254

DOS Code [description of service]

REG Use this for Postdoctoral Scholar **employees** (TC 3252) paid on a regular monthly basis through PPS

PDW Use this code for Postdoctoral Scholar **fellows/paid-directs** (TC 3253 and 3254) whose appointments are without pay in PPS. PDW functions similarly to the WOS code.

FEN Use this code for Postdoctoral Scholar **fellows** (TC 3253) who are citizens or resident aliens and whose appointment is with pay in PPS. The University is not required to report or tax fellowship/scholarship payments to citizens or resident aliens.

FEL Use this code for Postdoctoral Scholar **fellows** (TC 3253) who are non-resident aliens and whose appointment is with pay in PPS. These individuals will receive a 1042S with income code 15 at the end of the year.

PDD Use this code for Postdoctoral Scholar **fellows/paid-directs** (TC 3253 and 3254) who are citizens or resident aliens and who receive differential pay from a source other than their fellowship that brings their compensation to the minimum pay level.

Time Report Code

This code indicates the manner in which the Postdoctoral Scholar reports his/her time worked.

R Use this code when the DOS code is REG, FEL, or FEN

W Use this code when the DOS code is PDW

Leave Accrual Code

Departments are responsible for maintaining records on sick leave eligibility and usage. Postdoctoral Scholar sick leave is accrued but cannot be tracked in PPS. Postdoctoral Scholars do not accrue vacation.

N Use this code for all Postdoctoral Scholar appointments

Retirement & FICA Code

These codes are automatically derived. As part of the new hire process the Postdoctoral Scholar should complete form UCRS 419, *Statement concerning employment in a University position not covered by social security.*

- H/M Postdoctoral Scholar-employees who are citizens or resident aliens will contribute to the defined contribution plan-casual [DCP] and Medicare as a Safe Harbor participant.
- H/M Post-doctoral Scholar-fellows will be set to this code. The DOS code for the stipends of fellows will exclude the stipend from being subject to DCP/Medicare
- N/N Certain post-docs, generally those with J-1 or F-1 visa status, are not eligible for retirement, OASDI, nor for Medicare.

Additional information concerning Taxability of Health Benefits

For Postdoctoral Scholar-Employees: health benefits for U.S. citizens, residents and nonresident aliens and their dependents are not taxable for U.S. or State purposes. Benefits furnished to a domestic partner of an employee are taxable unless the domestic partner qualifies as a dependent of the employee. The imputed income associated with these benefits will be calculated by the Payroll/Personnel System [PPS].

For Postdoctoral Scholar-Fellows & Paid Directs: health benefits for fellows and their dependents who are U.S. citizens or resident aliens are subject to U.S. income tax with respect to premiums paid by the university, less any amount paid by the recipient because these represent additional "non-qualified" expenses. Benefits provided to a domestic partner also are taxable whether or not the domestic partner qualifies as a dependent. Benefits are not subject to FICA taxes since the individuals are not receiving wages for performing services. In addition, the University is *not* required to report these payments to the IRS or to withhold tax on the payments.

For non-resident aliens: As a general rule, the value of benefits provided to nonresident alien fellows and paid directs and their dependents is subject to U.S. income tax in the same manner as residents. If, however, the individual is from a country that has entered into a tax treaty with the U.S. and if that tax treaty provided that fellowship income is not taxable, the individual is exempt from tax on the benefit and the University is not required to withhold tax. But even though nontaxable, the value of the benefit must be reported to the IRS. If a treaty exemption is not available, the PPS will calculate the imputed income related to the medical, dental and vision contributions paid by the University on behalf of these nonresident alien individuals. Campuses will need to reduce the calculated value of the imputed income by the amount, if any, that the individual fellow or paid direct pays out-of-pocket for the University benefits contribution.

Postdoctoral Fellows and Paid Directs are required to self-report the total annual value of their fellowships, including benefits for themselves and their dependents, when they prepare their U.S. and California tax returns.

The IRS treats National Research Service Award [NRSA] grants as non-compensatory and thus not wages for FICA tax purposes. The IRS accords the same tax treatment to grant programs modeled after the NRSA program. Non-NRSA fellowships sponsored by the National Institutes of Health or others should be reviewed to confirm that these awards do not represent payments for services.

Enrollment Procedures

In general, all questions relating to benefits enrollment should be referred to the Postdoctoral Scholar Benefits Coordinator in Human Resources at 893-2186.