



NORTHWESTERN
UNIVERSITY

Benefits, Tax, and Other Policy Provisions
For
Postdoctoral National Research Service Awards

Postdoctoral National Research Service Awards
Benefits, Tax, and Other Policy Provisions

Individuals covered	<p>Postdoctoral recipients of National Research Service Awards (NRSA) from the National Institutes of Health (NIH), both those receiving grants as individuals and those participating in institutional grants. These recipients must be citizens or non-citizen nationals of the United States or have been lawfully admitted for permanent residence at the time of award.</p>
Policy	<p>Recipients of National Research Service Awards from the National Institutes of Health are trainees rather than employees of the NIH or of the University, as mandated by the terms of the award.</p>
Employment status	<p>As a trainee, the NRSA recipient is not an employee. The NRSA stipend is granted for living expenses but is not compensation for work performed.</p> <p>Individuals employed by the University prior to accepting an NRSA appointment are required to relinquish their employment and to change status from employee to trainee for the term of the grant. They may, however, take a leave of absence from University employment to maintain continuity of University service, as described below (see Continuity of University service).</p> <p>The trainee status of NRSA recipients, both in this policy and as required by the NIH's NRSA guidelines, has consequences in terms of benefits and taxation. The benefits and tax provisions applicable to this non-employee status are described in the pages that follow.</p>
Supplement to NRSA stipend without a work requirement	<p>The NRSA stipend may be supplemented by a department from non-sponsored funds provided there is no work requirement associated with this supplement. Sponsored project funds may not be used to supplement an NRSA stipend.</p>
Supplementary part time employment	<p>The NIH considers an NRSA appointment to be full time. However, allowance may be made for part time employment. Ten hours per week is the recommended maximum amount of time available for supplementary employment. Work performed as an employee must be different from the training activities supported by the NRSA grant. Such part time employment must be agreed to by the University's NRSA program director in the case of institutional grants or by the fellow's faculty mentor in the case of individual NRSA awards.</p>
Other appointments	<p>Consistent with the NIH's expectation for a full time commitment, an NRSA recipient may not hold another academic appointment.</p>

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Leaves of absence	<p>Parental leave. Funding from the grant is not interrupted during parental leave taken by either parent for childbirth or adoption. Funding is not extended beyond the end of the recipient's appointment to compensate for the time lost while on parental leave. If more than 30 calendar days are needed for parental leave, a written request must be prepared and approval must be obtained from the University's Office of Research and Sponsored Programs (ORSP) and the NIH.</p> <p>Family and Medical Leave Act. Since the NRSA recipient does not have employee status, the Family and Medical Leave Act does not apply.</p>
Continuity of University service	<p>A full time employee with a year or more of service may take a leave of absence during the term of the NRSA grant to maintain continuity of University service, eligibility for certain benefits, and any paid time benefits already accrued at the time the NRSA grant begins. Service is not accrued during a leave, but is held until restarting employment after the term of the grant.</p>
Staff discipline policies	<p>The supervising faculty sponsor handles complaints and discipline for postdoctoral recipients. Policies for administration of employee discipline are not applicable to NRSA recipients.</p>
Loan Deferment	<p>An NRSA recipient may qualify for a student loan deferment during the award period. It is the recipient's responsibility to determine whether a specific loan is eligible for deferment. The NRSA program director (for institutional awards) or the faculty supervisor (for individual awards) should sign the loan deferment form as the authorized Northwestern official.</p>
Other University services	<p>NRSA recipients are eligible to receive WildCards, enabling them to use the University Library, purchase University parking, and receive discounts on theater and athletic events. In addition, NRSA recipients are eligible to obtain University network IDs, which provide access to e-mail and listing in the PH directory.</p>
Employee benefits	<p>Since NRSA recipients are not employees, employment benefits are not generally available. Health insurance is required for working on the University campuses, and the University has made its health plans accessible by NRSA recipients. The following paragraphs describe provisions regarding:</p> <ul style="list-style-type: none"> • Health and dental insurance • Other insured benefits • Savings plans • Paid time benefits, and • Statutory benefits

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Health and dental insurance

Health and dental plan eligibility. Individuals engaged in activities on the Northwestern campuses must participate in Northwestern's health insurance plan or show evidence of participation in an alternate form of health insurance acceptable to the University or sign a waiver of insurance coverage at the Office of Risk Management. To meet the health insurance need, Northwestern makes its employee health and dental insurance plans available to postdoctoral NRSA recipients. NRSA recipients who elect to participate in a Northwestern plan receive a membership card issued by the applicable insurance carrier, which serves as evidence of coverage.

Waiver of coverage. When a NRSA recipient waives coverage or elects coverage under a non-University plan, such as a spouse's employer's plan, there is no contribution to the premiums from the NRSA grant or from the University.

Funding sources for premiums. When a NRSA postdoctoral recipient elects to enroll in an employee health or dental plan, the premiums are paid by a combination of funds from the NRSA grant, from the University and, if family coverage is elected, from the NRSA recipient.

The NRSA grant bears a portion of the postdoctoral health and dental insurance premiums. On institutional NRSA grants, this portion is considered part of the combined category of tuition, fees, and health insurance that is awarded through the "tuition formula." On individual NRSA grants, the portion is considered part of the institutional allowance.

Funding for single coverage. When single coverage is elected, the NRSA award pays a portion of the single coverage premiums through the award's "tuition formula" (on institutional grants) or through the award's "institutional allowance" (on individual grants). The University contributes the balance of the single coverage premiums.

Funding for family coverage. When family coverage is elected, the NRSA award and the University pay the single portion of the family coverage premiums. The NRSA postdoctoral recipient pays, through payroll deduction, the increment between the single and family contributions normally made by university staff. The amount of the personal contribution depends on the individual plan in which the recipient enrolls.

The personal contribution is made through payroll deduction and appears on the recipient's paycheck stub as evidence of coverage. The contributions made by the grant and the University do not appear on the recipient's paycheck stub, but the recipient is covered.

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Other insured benefits	NRSA recipients are not eligible to participate in the University's plans for long term disability, short term disability, group term life, optional term life, accidental death and dismemberment, and long term care insurance.
Savings plans	<p>Retirement. An NRSA recipient who has established a retirement account with one of the university's providers during prior employment, whether at Northwestern or elsewhere, continues to own the assets in that account, and the recipient may contribute to an established account. NRSA recipients are not eligible to enroll initially in the university's retirement plans, and a new account may not be opened during the NRSA award period. The recipient sends contributions to a previously established account to the provider directly; they are not made by payroll deduction.</p> <p>Flexible Spending Accounts. Pre-tax saving and spending accounts for health or dependent care expenses are not available to NRSA recipients.</p>
Paid time benefits	<p>Vacation and holidays. The grant's payments continue through holiday periods, and the recipient may observe these holidays as university staff observe them. Scheduled holidays, personal floating holidays, vacation time, and other paid time off are not accrued by NRSA recipients.</p> <p>Sick time. Award payments continue through a reasonable time taken off for illness. No additional award or extension of the payments is made for work time lost due to illness. Individuals requiring extended periods of time away from their research training experience, which could include more than 15 calendar days of sick leave or more than 30 calendar days of parental leave, must seek approval from ORSP and NIH for an unpaid leave of absence or break in service. Sick time is not accrued by NRSA recipients, nor is there separate pay for time off when sick.</p>
Statutory benefits	NRSA recipients are covered by Workers' Compensation and Unemployment insurance to the extent of the compensation paid for supplementary part-time employment they may undertake. The amount of the NRSA stipend itself is not covered by Workers' Compensation and Unemployment insurance. There is no Workers' Compensation or Unemployment insurance if there is no employment supplement.
Benefits rate assessment for department accounting	<p>NRSA stipend. There is no benefits rate assessment on NRSA stipend amounts. An NRSA postdoctoral recipient's stipend is paid using expense object code 8080.</p> <p>Supplement to the NRSA stipend without a work requirement. There is no benefits rate assessment on a supplement to a stipend without a work requirement. The supplement is paid using expense object code 8080.</p> <p>Supplementary part time employment. Payment for supplementary part time employment is subject to the university's standard benefits rate assessment. Supplementary employment is paid using expense object code 0110.</p>

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Taxation

NRSA postdoctoral stipend. An NRSA stipend is not subject to social security taxes (FICA), including both OASDI and Medicare. An NRSA postdoctoral stipend is taxable income for the recipient. The University reports the stipend amount to the IRS at year-end on Form 1099, Statement of Miscellaneous Income.

Supplement to NRSA stipend without a work requirement. Like the NRSA stipend, a monetary supplement to the stipend is not subject to withholding by the University, but is taxable income to the recipient. The supplement amount is reported on Form 1099, Statement of Miscellaneous Income.

Health insurance premium contributions made by the University and the NRSA grant. The contributions made by University and grant funds to single or family health insurance coverage are considered non-taxable and therefore are not reported to the IRS.

Supplementary employment. Compensation for supplemental work is considered taxable wages and is subject to federal and state income tax and FICA taxes, which are withheld by the University. The income and the tax withholdings are reported to the IRS on Form W-2.

Fulfilling income tax obligations. The NRSA postdoctoral recipient is to determine personal income tax liabilities and make quarterly filings with the IRS as appropriate.

Alternatively, the recipient may elect to have income taxes withheld by the University instead of paying quarterly estimated income taxes. For federal tax withholding, the NRSA recipient should complete Form W-4, Employee's Withholding Allowance Certificate, and indicate an additional dollar amount on line 6, "Additional amount, if any, you want withheld from each paycheck." For Illinois tax withholding, the NRSA recipient should complete Form IL W-4, Employee's Illinois Withholding Allowance Certificate, and indicate a dollar amount on line 3, "Write the additional amount you want withheld (deducted) from each pay." Both forms are available at the Payroll Division of the Department of Human Resources.

Federal and state tax withholding is reported at year end to the IRS and to the NRSA recipient on Form W-2, Wage and Tax Statement.

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Summary of payroll and accounting procedures

		Sources of Funds				
		NRSA Postdoctoral Appointment Stipend	NRSA Grant Contribution to Health and Dental Insurance Premiums	University Contribution to Health and Dental Insurance Premiums	Supplement to the NRSA stipend with no work requirement	Supplementary Part-time Employment Salary
Employment Status at NU		None	Not applicable	Not applicable	None	Part time, temporary
Time Commitment		Full time	Not applicable	Not applicable	None	As agreed. 10 hours is the recommended maximum
Subject to benefits rate assessment?		No	No	No	No	Yes
Use of funds for paying health and dental insurance premiums		Can be used if needed for family coverage on an after tax basis.	Pays a portion of the premiums for single or family coverage.	Pays the portion of the single premiums not paid by the grant. Pays the portion of the family premiums not paid by the grant and the recipient. Recipient pays the equivalent employee contribution to increment between single and family premiums.	Can be used if needed for family coverage on an after tax basis.	Can be used if needed for family coverage on an after tax basis.
IRS Report	Stipend	1099	Not applicable	Not applicable	1099	W-2
	Taxes, if withheld	If W-4 filed, reported on W-2	Not reported	Not reported	If W-4 filed, reported on W-2	W-2
Form for processing payment		Position and Appointment forms are used for the primary appointment on HRIS record 0.	ASRSP processes health premiums charge to grant.	Not applicable	Position and Appointment forms are used for the appointment on HRIS record 1.	Additional Pay Request
HRIS Position Required		Yes	No	No	Yes	No
HRIS Job Code		100091	Not applicable	Not applicable	102019	Not applicable
HRIS Earnings Code		NRS	Not applicable	NHD	NSS	SPD
CUFS Object of Expense		8080	Health premiums charged to 0181	8080	8080	0110