

**THE UNIVERSITY OF CHICAGO
THE DIVISION OF THE BIOLOGICAL SCIENCES
PRITZKER SCHOOL OF MEDICINE
OFFICE OF THE DEAN**

Date: October 30, 2003

To: Department Chairs
BSD Faculty

From: Kenneth J. Sharigian,
Associate Dean and Chief Operating Officer

Re: Postdoctoral Research Fellows (PDFs)

Beginning January 1, 2004 postdoctoral research fellows in the Biological Sciences Division will be provided an annual supplemental stipend to assist in the purchase of health, dental, life and long term disability coverage. This action is taken in response to the current disparity in living support available to postdoctoral fellows who are funded by training stipends and postdoctoral employees who receive salary and benefits from the University. Since postdoctoral fellows are not employees and therefore are not eligible for employee benefits, there is a disincentive to accept postdoctoral fellowship awards as such acceptance leads to a loss of employee benefits without any compensating increase in economic income. The supplemental stipend will address this inequity.

The requirement that faculty who accept an individual into his/her research laboratory provide a supplemental stipend to postdoctoral fellows was presented to the Division Executive Committee and Basic and Clinical Department Chair groups and was approved by consensus and without objection. Since NIH traineeships already include funds for health insurance coverage the supplemental stipend is \$1,530. For other fellowships that do not include such funds, the supplemental stipend is \$5,900. These amounts were calculated assuming purchase of the lowest cost coverage option for an individual.

In late November or early December 2003 PDFs will receive a notice that they will be provided the opportunity to purchase selected coverage, which will become effective on January 1, 2004. All new PDFs in the future will also be provided this opportunity at the time of their initial appointments. Please find enclosed an information sheet for your use and for distribution to faculty, PDFs, and administrators within your department. Stipend deductions will be taken via the payroll system for the costs of the elections made by PDFs. An exception is payment for health insurance from Federal Training Grants and Fellowships. These are to be processed on form 62s, which are to be forwarded to the Benefits Office. Departments must pay up front for the entire appointment's worth of health coverage for each participating fellow (or for a partial year of coverage if the appointment is for less than twelve months).

Effective with the University's payment of January 2004 PDF stipend checks, faculty must provide stipend supplements to PDFs based on the information provided in the attachment. These payments are to be included on the PDF fellowship form as a supplement, using sub-account 8370. You are reminded that federal training grants and fellowship stipends may not be supplemented with other federal money. HR managers must submit revised fellowship forms (adding the stipend supplements) for all PDFs to the Office of Academic Affairs by not later than December 15, 2003, for inclusion in stipend checks issued for January 2004.

If you have questions, please contact the Office of Academic Affairs at 2-6504.

Thank you.

Encls.

cc: Department Academic Human Resource Managers
Department Executive Administrators
Alex Bosch
Carole DeMack
Margie Gonzalez
G. Chris Keeley
James Madara
Mary Quinn
Nancy Schwartz
Ann Schwind
Agnes Tordai
Lynda Wolter

Single and Family Coverage will be available to Postdoctoral Fellows
from the following vendors

Health Insurance

(may select one from the following 3 options)

HMO-Illinois
Maroon
Student Health Insurance
(Basic plan option)
(Advantage plan option)

Dental Insurance

First Commonwealth

Long Term Disability

The Standard Insurance Company
Basic LTD Plan coverage

Term Life Insurance

The Standard Insurance Company
Coverage based on stipend level
(with the option to purchase additional coverage)

Retirement

TIAA, Vanguard, or other investment company
Opportunities for retirement investing
(using after tax dollars; contributions will not be
made through a payroll deduction)

To facilitate the purchase decision the University's Benefit Office will make available coverage information, enrollment material, and deduction cards in November. Postdocs will have total discretion in their use of the supplemental stipend, which will be provided as taxable income.

With the implementation of this program, faculty sponsors of postdoc research fellows will be required to supplement each postdoc as follows:

For NIH Fellowships:			For Other Fellowships:		
Supplement =	\$1,300		Supplement =	\$5,000	
Taxes =	\$230		Taxes =	\$900	
Total* =	\$1,530		Total =	\$5,900	
*Health insurance costs will be paid for separately via form #62 and charged directly to the TG or Fellowship					

Postdoctoral Fellow Coverage Costs
January 2004

	Single	Double	Family
Dental (HMO)	\$ 192.36	\$ 361.08	\$ 475.56
Group Life*	\$ 16.80	\$ 16.80	\$ 16.80
LTD Basic**	\$ 180.60	\$ 180.60	\$ 180.60
IRA (2.5%)***	\$ 875.00	\$ 875.00	\$ 875.00
Sub-Total (w/o Health)	\$1,264.76	\$1,433.48	\$1,547.95
Health (HMO-I)	\$2,700.00	\$ 7,272.00	\$ 7,272.00
Maroon (PPO)	\$4,812.00	\$ 9,156.00	\$11,688.00
Tuition & Fees	\$1,264.00	\$ 1,264.00	\$ 1,264.00
Basic Student Plan	\$1,491.00	n/a	n/a
Advantage Student Plan	\$2,220.00	n/a	n/a
Basic Student Plan w/Dependent Coverage	n/a	\$ 5,420.00	\$ 8,085.00
Advantage Student Plan w/Dependent Coverage	n/a	n/a	n/a
Grand Total (w/HMO-I)	\$3,964.76	\$ 8,705.48	\$ 8,819.95
Grand Total (w/Maroon)	\$6,076.76	\$10,589.48	\$13,235.95
Grand Total (W/Basic Student Plan)	\$4,019.76	\$ 6,853.48	\$ 9,632.95
Grand Total (Advantage Student Plan)	\$4,748.76	n/a	n/a

* Example based on 30 years of age, with a stipend of \$35,000/yr: $(\$35,000/1,000) \times 0.04 = \16.80

** Example based on stipend of \$35,000: $\$35,000 \times .00516 = \$180.60/\text{yr.}$

*** Example based on a \$35,000/yr stipend

Taxes on stipends and supplements:

For U.S. citizens, permanent residents, and resident aliens for tax purposes The University of Chicago is not required to withhold income taxes or deduct F.I.C.A. contributions (Social Security taxes), from the stipends and supplements. Each Fellow should file a declaration of estimated tax (IRS Form 1040-ES and Illinois, IL-1040-ES) and pay quarterly installments of the tax on the stipends and supplements (and any other taxable income). Failure to file the declaration will subject the fellow to interest on any under-payment of tax when he/she files an annual tax return.

For non-resident aliens, The University of Chicago is required to withhold alien federal taxes at the rate of 14% from the fellowship stipends and supplements. Federal taxes will not be withheld if the Fellow claims and qualifies for a tax treaty exemption.

GY03 NRSA Stipend Levels

Yrs Exp	Stipend
0	\$34,200.00
1	\$36,108.00
2	\$40,920.00
3	\$42,920.00
4	\$44,364.00