

Differences in Tax Treatment of Payments and Benefits for Postdoctoral Associates (093) and Postdoctoral Fellows (095)

	Postdoctoral Associate (093)	Postdoctoral Fellow (095)
Funding Source	Paid salary from University of Rochester funds or research grant	Paid stipend from external fellowships, NIH training grants, etc.
Employee Status	University of Rochester employee	Funding source prohibits treatment as an employee
How Paid	Paid semimonthly on the 15th of the month and on the last business day of the month	Paid semimonthly on the 15th of the month and on the last business day of the month
Health Benefits	Eligible to make pre-tax contributions for postdoctoral health benefits such as medical, dental and vision.	Eligible to make after-tax contributions for postdoctoral health benefits such as medical, dental and vision. University paid contributions for medical and dental treated as imputed income.
Life Insurance	Eligible to make after-tax contributions for life insurance.	Eligible to make after-tax contributions for life insurance.
Retirement Benefits	As employee eligible to contribute to University 403(b) plan.	Not eligible to contribute to University 403(b) plan.**
IRS Tax Reporting	W-2	None. Self-report stipend and University paid cost of health insurance as taxable income.***
Taxes	Federal and state income tax, and employment taxes (social security, and Medicare) withheld from salary.	No taxes withheld from payments. Subject to federal and state income taxes on stipend and University paid medical and dental benefits. Generally required to make quarterly estimated tax payments to the IRS and NYS Tax Dept.

** Advise postdoctoral fellows to consult with their own financial adviser about non-employer retirement savings options (such as a Roth IRA).

*** Provide post-doctoral fellows with an end of year fellowship letter similar to letter received by graduate students with a fellowship.