



GRADUATE COLLEGE  
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To: Associate Deans for Research, Senior Human Resource Leaders, and Collegiate Business Officers

From: Selina Martin, University Controller and John C. Keller, Interim Vice President for Research

RE: Postdoctoral Fellows and Scholars

Date: June 1, 2018

A recent IRS legal ruling has required the University to revise its procedures regarding postdoctoral classifications to ensure compliance with federal and state taxing authorities. The IRS has deemed that stipends paid to non-NRSA post-doctoral fellows and post-doctoral research scholars are compensatory in nature and considered “wages” for federal income and FICA tax withholding. Stipends paid to NRSA post-doctoral fellows continue to be considered non-compensatory and are therefore not considered “wages” for federal income or FICA tax withholding purposes. This will impact new postdoctoral research fellow appointments (FP02), new grant submissions, and some current research postdoctoral fellow appointments (FP02).

- 1) **Effective August 1, 2018**, the **only new** postdoctoral appointments that can be classified as an FP02 (fellow) are those being funded by NRSA grants. These appointments will correspond with the *Fellowship* fringe benefit rate.
- 2) **Effective August 1, 2018**, **all new** non-NRSA grant applications that include postdocs must be submitted to reflect an FP01 appointment which will correspond with the *Post Doc* fringe benefit rate.
- 3) **Effective August 1, 2019 any current** postdoctoral fellow appointments (FP02) that are funded by non-NRSA funds must be moved to a postdoctoral research scholar appointment (FP01). We believe this number is less than 10% of the total number of postdocs.

Questions can be directed to Donna Welter ([donna-welter@uiowa.edu](mailto:donna-welter@uiowa.edu)) or Associate Dean Shelly Campo ([shelly-campo@uiowa.edu](mailto:shelly-campo@uiowa.edu)) at the Graduate College.

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