

INSTRUCTIONS FOR THE UNIVERSITY OF CHICAGO POSTDOCTORAL FELLOWSHIP APPOINTMENT PROCESS

I. Introduction

Departments should use the following process when appointing Postdoctoral Fellows (“PDFs”) at the University of Chicago (the “University”). All parties to the process should understand and follow these instructions. The process is not complete and an offer will not be effective until approved by the Dean and department Chair or their designee, the Provost’s Office has approved the Postdoctoral Fellows—Paid Direct, and the appointment has been accepted in Workday by the PDF.

II. No Employment Status

PDFs do not perform services for the University and, accordingly, are not employees of the University. The University treats PDFs differently from employees with respect to the payments they receive. PDF payments are called "stipends" and they are not subject to withholding of Federal and state income taxes or Social Security (F.I.C.A.) or Medicare. Also, PDFs are not entitled to receive any employee benefits from the University.

In general, if a person is on a Federal training grant for postdoctoral training experience and performs no services for the University, the person should be classified as a PDF. Some foundation grants and awards also are restricted to the support of PDFs. A person must be classified as a PDF when the source of funds stipulates the award of a “stipend” for support during the period of the postdoctoral training experience.

In virtually every other case, for example NIH research grants, the person should not be appointed as a PDF and instead should be appointed as a Postdoctoral Scholar. When a person is obliged to perform services for compensation, such as research, clinical work, or teaching, as for example on NIH research grants, he/she cannot be treated as a PDF. Instead, such person is treated as an employee receiving "wages." This means that the University will withhold taxes, including F.I.C.A. and Medicare, and the employee may be eligible for employee benefits.

III. Taxes

It is extremely important that the University classify PDFs correctly. If the University fails to withhold where required, the Internal Revenue Service may impose on the University substantial penalties and interest payments. By executing the online appointment form, the PDF certifies that he or she understands the information set forth in the acceptance form and agrees to comply with the University’s policies and all laws, rules, and regulations relating to the taxation of stipends.

Postdoctoral Fellows

Internal Revenue Service (IRS) regulations and notices state the payer (The University of Chicago) of a taxable fellowship is not required to withhold income tax and is not required to report the payment to the IRS. Therefore, the postdoctoral fellowship stipend payment issued to a United States citizen, permanent resident or resident alien (for U.S. tax purposes) will not be reported to the IRS by the University of Chicago.

However, a Postdoctoral Fellow **is** required to file an income tax return and report all stipends and other PDF payments received from the University to the IRS. In addition, since the University is not required to withhold federal and state income taxes from their stipend, a Postdoctoral Fellow is expected to pay estimated taxes on a quarterly basis.

With respect to non-resident aliens, only those individuals who hold an F-1 or J-1 INS classification may be appointed as PDFs. For PDFs who are non-resident aliens, stipend payments are reported on IRS Form 1042s. Some

April 2015

non-resident aliens may be exempt from tax withholding under a tax treaty between the United States and his or her country of residence. However, if such payments are not covered by a tax treaty, the University must withhold Federal taxes from stipend payments. In either case, all PDF non-resident aliens must file an annual tax return with the IRS and the appropriate state revenue agency.

Postdoctoral Fellows – Paid Direct

Postdoctoral Fellows who are paid directly from a sponsor should request guidance regarding taxes from the sponsoring agency or organization.

IV. Intellectual Property Rights

The University requires Postdoctoral Researchers to sign a Patent Assignment Agreement (“PAA”) pursuant to which they assign to the University certain patent and intellectual property rights, consistent with the Patent Policy. Execution of the PAA in Workday is a required step in the onboarding process for a PDF.

V. Illinois DCFS Requirements

Illinois law also requires the Postdoctoral Researchers to execute the Illinois Department of Children and Family Services Acknowledgement of Mandated Reporter Status (the “DCFS Form”). Execution of the DCFS Form in Workday is a required step in the onboarding process for a PDF.

VI. Process

The Postdoctoral process begins.

1. For PDF and PDF—Paid Direct, the Department prepares the Post Doctoral Fellowship Appointment Request Form and secures approval of the Chair and the Dean.
2. For PDF and PDF—Paid Direct, initiate hire process in Workday and enter PDF information.
3. For PDF, upload the Chair and Dean approved Appointment Request Form to worker profile in the document category of ‘Postdoctoral Fellow Appointment Form’.
4. For PDF—Paid Direct, forward a hard copy of the Appointment Request Form signed by Chair and Dean, accompanied by the Fellow’s CV and a copy of the award/funding letter, to the Office of the Provost for consideration.
5. Once Office of the Provost approval is received, upload the Provost-approved Appointment Request Form to worker profile in the document category of ‘Postdoctoral Fellow Appointment Form’.

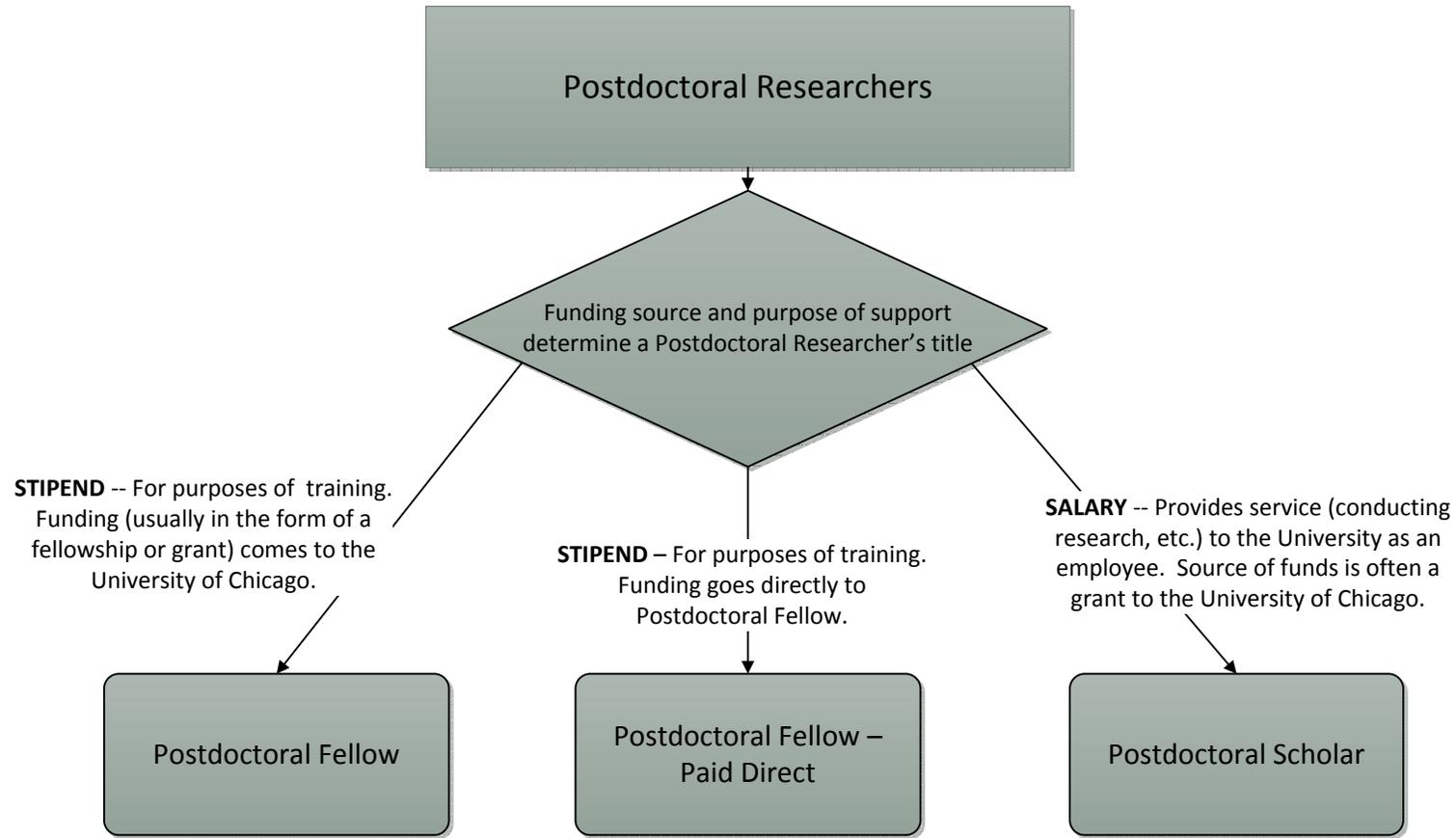
The Postdoctoral Onboarding process in Workday:

6. PDF and PDF—Paid Direct executes PAA, DCFS Form, and Postdoctoral Acceptance Form in Workday.
7. Once the Acceptance is executed, the PDF may print a copy for her/his records.

For *Reappointments*, follow the same process as above. *Note:* it is not necessary for Fellows to execute the PAA or DCFS Form a second time. On reappointment, only execution of the Postdoctoral Acceptance Form is required.

VII. Miscellaneous

Should you have any questions about this process, please contact your Dean’s office, or the Associate Provost for Academic Affairs.



See *University of Chicago Postdoctoral Researcher Policy Manual* for details