

STANFORD UNIVERSITY * MEMORANDUM * STANFORD UNIVERSITY

Date: October 30, 2003

Clarification of benefits funding for Postdoctoral Scholars added, April 7, 2005

To: Faculty and Departmental Staff
From: Godfrey Mungal, Associate Dean of Graduate Policy
Subject: **Charging and Paying for Benefits for Postdoctoral Scholars and Graduate Students**
cc: Debra Zumwalt

In 2002, Stanford University implemented a health insurance benefit for most graduate students and expanded benefits coverage for Postdoctoral Scholars. Explanation of benefits coverage is available on the web at the following locations:

Postdoctoral Scholars	http://postdocs.stanford.edu/benefits/
Graduate Students	http://cardinalcare.stanford.edu/graduate_faq.html

Questions have come up with regard to the funding of these benefits, specifically whether or not it is appropriate to use sponsored or other restricted funds to pay the cost of insurance and other benefits for these individuals. This memo addresses those questions.

Because this entails the use of federal and other sponsored funding, it is important that everyone involved understand and adhere to the principles outlined below. Since negotiated fringe benefits rates are charged on Postdoc and RA salaries, no other direct charges may be made to sponsored projects to pay the cost of insurance or any other benefits for graduate students or postdocs.

POSTDOCTORAL SCHOLARS

Stanford University's policy regarding the appointment, compensation and benefits for Postdoctoral Scholars was revised in 2002, as recommended by the Provost's Committee on Postdoctoral Scholars and approved by the Provost. That policy includes expanded insurance benefits for postdocs (medical, dental, life and disability) as well as other improvements concerning available leaves. These benefits are provided for all Postdoctoral Scholars as a condition of their appointment. The full text of the policy is online at <http://www.stanford.edu/dept/DoR/rph/9-4.html>.

Postdoctoral Scholars are normally appointed on a full-time basis and they must be supported by either Stanford grants and contracts, training grants, departmental or School fellowship funds, or external fellowships, or by a combination of these sources. Postdoctoral Scholars may not be self-supporting.

1. POSTDOCTORAL SCHOLARS BEING PAID A SALARY

A fringe benefit rate is charged on the salaries of Postdoctoral Scholars. (Effective September 1, 2004, that rate was 19.1%.) For Scholars receiving salary payments, as distinguished from stipend payments, the source of funding for benefits depends on whether the Scholar is being paid a salary for more than 50% effort on a project(s).

- a) If the Scholar is being paid a salary for more than 50% FTE (from one or more projects), then the full cost of the University's benefits for Postdoctoral Scholars, as defined in the policy referenced above, is paid from the benefit pool. No further department contribution is needed.

- b) If the Scholar is being paid a salary for an appointment of 50% FTE or less, then departmental or other unrestricted funds must be used to pay the cost of benefits. The cost of benefits for this individual may NOT be charged to the sponsored project paying the salary.

The guidelines above apply to all Postdoctoral Scholars being paid salary, regardless of whether they also receive fellowship or other financial support.

2. POSTDOCTORAL SCHOLARS BEING PAID A STIPEND

Postdoctoral Scholars receiving stipend support are also entitled to benefits as defined in Stanford's policy. Where there is no salary support involved, and therefore no fringe benefit pool to draw on, please follow the following sequence to determine the appropriate method of payment.

- a) If the Scholar is supported by a fellowship or an institutional training grant which provides funds to pay for the recipient's benefits, then those funds should be used for that purpose. For example, the NIH NRSA awards and training grants include an "institutional allowance" to be used to pay additional expenses, including health insurance, on behalf of the recipient of the award. Those funds may be used to pay the cost of benefits for Postdoctoral Scholars.
- b) If no fellowship or training grant funds are available to pay the cost of a Scholar's benefits, then the cost must be borne by a departmental or other unrestricted account. Under no circumstances may the costs of the benefits be directly charged to sponsored projects.

GRADUATE STUDENTS

Starting in the Fall of 2002, Stanford University provides a payment of up to half the cost of the single-student Cardinal Care premium for most of the university's PhD students. The subsidy is triggered by assistantship appointments or fellowship stipends at a specified level (tuition-only fellowship awards do not qualify the student for this subsidy). In the 2004-05 academic year, the single-student premium for Cardinal Care was \$516 per quarter, and the subsidy for a student with at least a 25% assistantship, or a \$2000 per quarter (non-tuition) stipend payment, was \$258 per quarter.

The subsidy is funded by several sources, including a fringe benefit rate on the salary of RAs and TAs (effective September 1, 2004, that rate was 3.4%). Students who qualify for the subsidy will receive it automatically. The subsidy is paid from the benefits pool, with no additional charge to departmental funds.

Departments wishing to make a payment to a graduate student to pay the BALANCE of the cost of health insurance (above the University subsidy) may do so with a stipend payment designated for this purpose. Such payments may be made ONLY from unrestricted accounts and may not be charged to sponsored project accounts.

Questions about Postdoc insurance should be directed to Patrick Ford in the Office of Postdoctoral Services, patrick.ford@stanford.edu. Questions about the graduate health insurance subsidy should be directed to Ann George in my office, anngeo@stanford.edu.