This document is meant to provide information and guidance to UCLA Postdoctoral Fellows (title code 3253) regarding taxes, benefits, stipend disbursements and union dues/fees deductions related to their appointment at the University.

The University cannot provide tax advice. We strongly encourage Postdoctoral Scholars to seek out a certified tax professional for assistance.

Payment Classification

A fellowship payment is used to defray costs for an individual's education, research and/or training. Payments are issued as stipends. Fellowship payments have no relation to employment or performance of services.

Tax Information for Postdoctoral Fellows

Fellowship income paid to Postdoctoral Fellows is tax-reportable income. However, withholding and reporting requirements vary based upon the classification of payment and the tax residency status of the individual.

Fellowship income for Postdoctoral Fellows is tax-reportable to the federal and state tax agencies (Internal Revenue Service and Franchise Tax Board). Fellowship tax Information for US residents and nonresidents may be found at https://grad.ucla.edu/gss/postdoc/pdtaxinfo.htm.

Fellowship Tax Withholding Basics

<table>
<thead>
<tr>
<th>TAXES</th>
<th>FELLOWSHIP US RESIDENT</th>
<th>FELLOWSHIP US NONRESIDENT</th>
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<tbody>
<tr>
<td>Federal Tax withholding</td>
<td>No withholding required, but the income is tax reportable. *</td>
<td>Tax withholding is required.</td>
</tr>
<tr>
<td>State Tax withholding</td>
<td>UCLA does not withhold but income is still tax reportable. *</td>
<td>UCLA does not withhold taxes but the income is still tax reportable. *</td>
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* Recipients may need to file quarterly to avoid penalty.

Benefits as Imputed Income

Postdoctoral Scholars are eligible to receive certain benefits, such as Health Insurance. Postdoctoral Fellows benefits are considered to be tax-reportable fellowship income.

How this income is reported:

US Resident:

- Since there is no withholding or reporting requirement for fellowship income paid to US residents, UCLA does not withhold or report this income.
- The Postdoctoral Fellow is expected to include the value of the benefits paid on their behalf in their tax filing and may need to include in quarterly filing to avoid penalty.
Nonresidents:

- Tax withholding and reporting is based upon the tax rate for the individual nonresident.
- UCLA is required to withhold and report to the IRS as necessary.
- Since there are no payments through payroll to withhold from, the value of the tax owed is computed and billed at year end.

The Benefits Contribution Collection/Payment Process

Garnett-Powers & Associates, Inc. (GPA) collecting health benefits contributions for Postdoctoral Fellows who do not hold a concurrent Postdoctoral Scholar – Employee title. GPA will collect the HMO contributions, PPO, and Voluntary Long-Term Disability contribution amounts.

GPA will initially mail an invoice to the Postdoctoral Fellow’s home address, displaying the amounts owed for each line of coverage. The initial invoice will contain a web address where the fellow must register to supply her/his e-mail address, as well as indicate the preferred method of payment. All consequent billings will be done via e-mail. Instructions will be available to assist the fellow in indicating the payment method and making the payment online. The payment will be due by the first of the month as payment for that month’s coverage.

Stipend Disbursement

Fellowship stipends are processed by the Fellowships and Financial Services Office with payments disbursed approximately 1-2 weeks prior to a corresponding funding month except for January stipends which disperse within the same month to coincide with the new tax year. For example, if a fellow has an appointment beginning in March, the stipend should disburse 1-2 weeks prior to March in February. Please note that disbursements are contingent on paperwork being correct and processed by both Academic Services and Fellowships and Financial Services.

Dues and Fees Assessment via BruinBill

Dues or fees assessed for a particular month are posted via BruinBill the following month. For example, October union dues or fees will be posted by mid-November, the November dues will be posted in mid-December, etc.

Up to two months of union dues or fees can be charged after the last stipend disburses, which will leave the fellow responsible for covering the dues or fees with their own funds since stipends will not be available to cover them. Fellows are responsible for any remaining union charges on their account that are not covered by their fellowships/stipends. Fellows are also responsible for union dues and other fees posted after their last stipend pays out and/or after the appointment ends.

Unpaid dues or fees will incur late fees charges for each missed payment. Please continue to review your BruinBill account at least six months after your appointment ends to ensure late fees are not incurred.