Please forward this important tax information to Postdoctoral Scholar-Fellows (3253) in your department.

February 6, 2019

This is meant to provide information and guidance to UCLA Postdoctoral Scholar Fellows (3253) regarding taxes, benefits, stipend disbursements, and union dues 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. For additional resources, please visit the following website: https://www.finance.ucla.edu/tax-records/tax-services/tax-preparation-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 Scholar 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 Scholar 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/funding/working-
Fellowship Tax Withholding Basics

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

How Fellowship 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 Scholar 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.

Benefits as Imputed Income
Postdoctoral Scholars are eligible to receive certain benefits, such as health insurance. Postdoctoral Scholar Fellow benefits are considered to be tax-reportable fellowship income.

Benefits Contribution Collection/Payment Process
Postdoctoral Scholar Fellows enrolled in UC Postdoctoral Scholar Benefits Plan (PSBP)
will have their health benefits contributions for HMO, PPO, and voluntary long-term disability plans deducted from their monthly check. Postdoctoral Scholar Fellows may request to opt-out of benefits deductions by logging into the UCPath Portal, clicking on the “Ask UCPath Center” button, and submitting the request.

Garnett-Powers & Associates, Inc. (GPA) will collect health benefits contributions for Postdoctoral Scholar Fellows who opt-out of benefits deductions from their monthly check. GPA will initially mail an invoice to the Postdoctoral Scholar 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 subsequent 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 (August 2018 and Prior)**
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 Postdoctoral Scholar Appointments and Services and Fellowships and Financial Services.

**Stipend Disbursement (September 2018 to Present)**
Fellowship stipends are processed by UCPath system. Payments are typically disbursed on the first of the following month. For example, September 2018 stipend will be disbursed on October 1, 2018; October 2018 stipend will be disbursed on November 1, 2018. Please note that disbursements are contingent on UCPath system records and Postdoctoral Scholar appointment paperwork being correct and completed on time.

**Union Dues Assessment via BruinBill (August 2018 and Prior)**
Dues assessed for a particular month are posted via BruinBill the following month. For example, June union dues will be posted by mid-July; July union dues will be posted by
mid-August; etc. Up to two months of union dues can be charged after the last stipend disburses, which will leave the Postdoctoral Scholar Fellow responsible for covering the dues 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 posted after their last stipend pays out and/or after the appointment ends. Unpaid dues 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.

Union Dues Assessment via UCPath (September 2018 to Present)
Dues will be automatically deducted from your monthly check. Dues will be assessed and deducted in the same month. For example, September union dues will be deducted from September paycheck.

Sincerely,

Fellowships and Financial Services
UCLA Graduate Division
gdsupport@grad.ucla.edu

Postdoctoral Scholar Appointments and Services
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