

2023 Non-compensatory Health Insurance Stipends for Postdoc Scholars

- 1) Confirm the existing regular stipend amount funded by the grant reflects the appropriate amount and meets both the NIH and Duke minimums. This wage type is posted as 4002 on the Noncompensatory iForm, using the program acronym PSTDCAWD.
 - 2) Set up the Non-compensatory Insurance Stipend for healthcare coverage using the Non-compensatory iForm effective 12/2022 posted on wage type 4012, using the program acronym PSTDCINS.
 - 3) Set up the required Non-compensatory Insurance Augmentation Top-up based upon the level of coverage, (indicated in the table below) using the Non-compensatory iForm effective 12/2022 posted on wage type 4002. You should use the program acronym PSTDCTU.
 - 4) Insurance stipends must be effective on the first day of the month since insurance amounts are not pro-rated. Contact the Postdoc Scholar to confirm no changes were made during open enrollment. The insurance stipends must be based upon the payee's level of healthcare coverage as well as the specific benefit plan selected. Based upon the Postdoc policy, Duke has agreed to cover the full cost of individual healthcare coverage. If payee selects additional coverage, the entity paying for the coverage can vary. Payment may come from the Institutional Allowance or the payee. If the Institutional Allowance is the funding source, the department must ensure that the Institutional Allowance covers the full cost of individual coverage for the year before allowing the Institutional Allowance to be used for additional levels of coverage. The allowable range for stipend amounts is recorded below. The high end of the range is the Total Postdoc Deduction while the low end of the range is the Duke Contribution plus the Postdoc Scholar benefit.
- **As of July 1, 2021, a stipend augmentation, or "top up", will be provided to Postdoctoral Scholars' individual stipends to mitigate the tax impact of deductions made post-tax.** The "top up" must be added to the Postdoctoral Scholar's base pay - it does not count towards the postdoc required minimum pay. The expectation is this stipend augmentation will be provided from the primary mentor's available funds; and if not available to the primary mentor, the department chair should determine the funding source.
 - The formula to determine the amount of the stipend augmentation is found at: https://resources.finance.duke.edu/payroll/noncomp/processing/2021_Noncompensatory_GrossUp_Example.pdf
 - After determining the appropriate stipend augmentation amount, departments should use the [Create an Additional Stipend Augmentation form](#) found at the Office of Postdoctoral Services website under [Policies and Forms](#). A copy of the stipend augmentation form should be submitted to Corporate Payroll along with the [Non-Compensatory Payment Form](#). As a general rule, the stipend augmentation should run concurrently with the dates of the fellowship. If you have questions about processing either the non-compensatory payment form or the stipend augmentation form, please email Kirby Hays in Corporate Payroll at kirby.hays@duke.edu

Health Insurance Stipend Table

Wage Type		Payee (no range)	Payee/Child	Payee/Children	Payee/Spouse	Family
4012	Duke Select	\$524	\$655.00- \$781.00	\$751.00 - \$976.00	\$873.00 - \$1227.00	\$977.00 - \$1435.00
4002	Ins. Top-up	\$197.27	\$294.02	\$367.43	\$461.92	\$540.22
4012	Duke Basic	\$445.00	\$567.00 - \$653.00	\$660.00 - \$815.00	\$777.00 - \$1026.00	\$873.00 - \$1184.00
4002	Ins. Top-up	\$167.53	\$245.83	\$306.82	\$386.25	\$445.73
4012	Blue Care	\$1122.00	\$1306.00 - \$1492.00	\$1409.00 - \$1696.00	\$1603.00 - \$2088.00	\$1808.00 - \$2499.00
4002	Ins. Top-up	\$422.39	\$561.68	\$638.48	\$786.05	\$940.78
4012	Duke Options	\$1066.00	\$1256.00 - \$1440.00	\$1383.00- \$1693.00	\$1571.00 - \$2079.00	\$1748.00 - \$2432.00
4002	Ins. Top-up	\$401.31	\$542.11	\$637.35	\$782.67	\$915.56

- a. Assign wage type 4012 and the corresponding dollar amount based upon the premium range in the table above and the funding source to be paid in accordance with the Postdoc policy. Funding source may be assigned to the Institutional Allowance cost center/WBS element, Principal Investigator cost center, department cost center, etc.

The service type/service category for the health insurance stipend will be 635200 (Recipient Designated) or 636200 (Recipient Undesignated) depending upon the type of Postdoc.

Please note that health insurance stipends cannot exceed the maximum rate for the type and level of coverage. Dental and vision insurance must be deducted from the payee's stipend amount and are not included in the 4012 Wage Type.

IMPORTANT: Departments must remind Postdoc Scholars that this insurance stipend and Top-up will be included in taxable income. The Insurance Top-up is designed to offset the effect of taxes withheld from the insurance stipend. The benefit deductions will be withheld on a post-tax basis. Please review this with Postdoc Scholars prior to the individuals' first payment.

- b. Assign wage type 4002 for the corresponding Insurance Top-up amount for the level of coverage and listed plan. The expectation is this stipend augmentation will be provided from the primary mentor's available funds; and if not available to the primary mentor, the department chair should determine the funding source. The service type/service category should be consistent with Duke's General Accounting Procedures as a non-insurance stipend.
- c. Assign a beginning and ending dates to the new wage types to reflect dates of coverage. The end date should be no later than 11/2023, since the premium amounts generally change for the new plan year.
- d. iForms must be submitted and approved based upon posted deadlines on the Noncompensatory payment schedule. This information can be found on the Corporate Payroll Website.

- 5) Deduction amounts will be set up based upon the level of coverage. Deductions will be withheld from the Noncompensatory Insurance payments on a post tax basis.

Benefit Deductions for New Postdocs Receiving Non-compensatory Payments

- 1) In order to invoke benefits eligibility, you must hire the Postdoc as an exempt employee for a minimum of 30 days on the regular payroll. As of January 1, 2013, **all** new Duke employees (faculty, staff, and postdocs) must enroll for benefits within 30 days of hire. If the employee enrolls in time for the deduction to be taken from the salary payment, he/she will gain the benefit of the pretax deduction. If the employee does not enroll in time for the salary deduction, he/she must incur the full cost of the deduction (employee and employer portion) on a post tax basis.
- 2) Create the award payment funded by the grant to reflect the appropriate amount and to meet both the issuing agency and Duke minimums. This wage type is posted as 4002 on the Noncompensatory Payment.
- 3) Set up the Non-compensatory Insurance Stipend using the Non-compensatory Payment iForm effective the first day of the month after having been on the compensatory payroll for a minimum of 30 days. Insurance stipends must be effective on the first day of the month since insurance amounts are not pro-rated.
 - a. Assign wage type 4012 and the corresponding dollar amount based upon the table above and the funding source to be paid in accordance with the Postdoc policy. Funding source may be assigned to the Institutional Allowance cost center/WBS element, Principal Investigator cost center, department cost center, etc. **Please note that health insurance stipends cannot exceed the maximum rate for the type and level of coverage amount included in the table above. Dental and vision insurance must be deducted from the payee's stipend amount and are not included in the 4012 Wage Type.**

Please note that this insurance stipend will be included in taxable income. The benefit deductions will be withheld on a post-tax basis. It is very important that the Postdoc Scholar understand this.

- b. Assign wage type 4002 for the corresponding Insurance Top-up amount for the level of coverage and listed plan. The expectation is this stipend augmentation will be provided from the primary mentor's available funds; and if not available to the primary mentor, the department chair should determine the funding source. The service type/service category should be consistent with Duke's General Accounting Procedures as a non-insurance stipend.
- c. Assign a beginning and ending date to the new wage type to reflect dates of coverage. In the event payees have elected coverage for the current month, one-time insurance stipend amounts will be required in addition to the recurring payments for prospective coverage.

- d. The service type/service category for the health insurance stipend will be 635200 (Recipient Designated) or 636200 (Recipient Undesignated) depending upon the type of Postdoc.
 - e. iForms must be submitted and approved based upon posted deadlines on the Noncompensatory payment schedule. This information can be found on the Corporate Payroll Website.
- 4) Deduction amounts will be set up based upon the level of coverage. Deductions will be withheld from the Noncompensatory Insurance payments on a post tax basis.

Changes in Coverage

- 1) Noncompensatory recipients must notify departments regarding any changes in benefit coverage.
- 2) The department will submit a Noncompensatory Change iForm to change the amount of the medical insurance stipend in accordance with the new benefits coverage and the Postdoc Policy.
- 3) Departments will submit notification via email to Jennifer Frazier in Human Resources and Kirby Hays in Benefits Accounting.
- 4) Human Resources will update the vendor records and Benefits Accounting will submit new deductions for processing by Corporate Payroll.

Changes in Premiums during Changes in Plan Year (Open Enrollment)

- 1) Departments must submit revised Noncompensatory Change iForms to reflect new premium amounts for the health insurance stipend – wage type 4012 and the Insurance Augmentation Top-up – wage type 4002. Departments should contact all Postdoc Scholars prior to submitting insurance stipend amounts to ensure coverage level remains the same.
- 2) Changes in existing deductions will be submitted by the Human Resources Benefits team based upon the Noncomp Postdoc's election during the Open Enrollment period.

Note: Under no circumstances can insurance payments be paid using journal entries posting directly to grants or other funding sources.