

Issues to Consider When Deciding Between an Employee or Stipendee Model for your NASA Postdoctoral Fellowship in Astronomy

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If you have been offered a postdoctoral fellowship under one of NASA's Astrophysics named fellowship programs (NNFs i.e., Einstein, Hubble, or Sagan), your prospective Host Institution may offer the option of working either as an employee, a stipendee, or both. For the latter case, this document is intended only to highlight issues that you may want or need to consider when making this choice. The choice is strictly between prospective Fellows and their Hosts, and should not substantially involve the Fellowship program offices or their grant officers. This document is an informal set of suggestions for consideration when selecting between employee or stipend model. It is intended to be generally helpful, but *should not be considered as conveying any official requirements or legal advice.*

Introduction

Potential Host Institutions have different policies. Many (but certainly not all) seem to have standard stipend fellowship procedures in place. Several prefer that the fellows be employees as it is easier for the institution, where others cannot hire Fellows as employees. Several can offer either model. When a Host accepts a Fellow at their institution, certain basic requirements must be met as described by the Terms and Conditions (T&Cs) from each NASA fellowship office.

Visa Issues

For non-U.S. citizens, visas are most commonly either J1 or H1. We strongly recommend that you contact a visa expert at your Host Institution or elsewhere, to make sure that you have accurate and current information relevant to your particular situation. The NASA Fellowship program offices unfortunately cannot advise you on visa issues, nor provide funding related to (e.g., application or lawyer) fees.

J-1 Visa:

Your Host Institution is responsible for assisting and advising you on all matters relating to your J-1 program, including authorizing travel outside of the U.S. and ensuring that your J-1 non-immigrant documents are valid at all times. J-1 Research Scholars are limited to 5 years, and extensions beyond that time are NOT routinely granted.

The most common J-1 visa issue is the two-year home-country physical presence requirement. If unable to return to their home country to fulfill the two-year requirement, Fellows must follow proper immigration procedures as required by the Department of Homeland Security and/or your home country. Some relevant information may be found at

<http://j1visa.state.gov/basics/common-questions/>

or

<http://travel.state.gov/content/visas/en/study-exchange/student/residency-waiver.html>

H1B Visa:

Employee Fellows may be able to apply for and obtain an H1B visa. The initial period of stay in the United States for an H1B is up to 3 years. Extensions are possible in up to 3 year increments. Maximum period of stay generally 6 years (extensions beyond 6 years may be possible).

<http://www.uscis.gov/eir/visa-guide/entrepreneur-visa-guide>

Green Card

A Green Card bypasses the above visa issues for either model. Again, the NASA Fellowship program offices can not provide funding related to (e.g., application or lawyer) fees.

<http://www.uscis.gov/greencard>

TAX ISSUES

Tax issues are best addressed in consultation with a qualified attorney or tax advisor, which may be available through your Host institution. The NASA Fellowship program offices unfortunately cannot advise you on tax issues, nor provide funding related to (tax attorney or tax advisor) fees.

Taxes are paid by Fellows whether they are stipendee or employee. Some relevant information is available at

<http://www.nationalpostdoc.org/?TaxIssues>

For employees, federal and state taxes are likely to be withheld automatically by your Host. You may also want to ask about Social Security and Medicare taxes.

Some nonresident aliens may be eligible for exemptions from federal income tax withholding on wages based on tax treaties negotiated between the Fellow's country of residence and the United States. State income tax requirements may differ from federal taxes and also from state to state; Fellows should review relevant state tax laws.

Tax obligations are complex and fellows should consult a tax accountant or other tax professional regarding their individual tax situation.

HEALTH INSURANCE OPTIONS and COST

For *stipendiary* fellows, health coverage is fully paid for up to an annual maximum that is shown in each Fellowship's Call for Proposals. That maximum is usually adequate to cover a fellow and family, if applicable.

If a Fellow has an *employment* arrangement, full-time or post-doc status, they are expected to pay the employee portion of the premium.

If a Fellow or family member has any special health needs, the fellow should check the insurance offered by the host institution carefully to ensure those needs will be covered as funds are available for health insurance only.

LEAVE

For *stipendees*, there is no set leave policy, as long as the Fellow remains productive. Productivity is judged effectively by symposium participation, publications, and annual reports, although the Science Contact may also provide input to the Fellowship program office. The NNFs generally encourage several weeks of annual (vacation) leave, as well as sick and/or family leave (to take care of a close family member) when necessary. Under a stipendiary model, Fellows are not allowed to take more extended leave. If absolutely necessary for personal or family reasons, the Fellow can have unpaid extended leave by asking for a no-cost extension of their award.

For *employees*, each Host Institution will have a leave policy covering annual, sick, extended and/or family leave. Leave may in many cases only be gradually accumulated during the Fellowship, so that extended leave early in the Fellowship may need to be unpaid.

TRAVEL

For *stipendees*, there is no set policy, as long as they meet requirements in the Terms & Conditions (including advance justification for foreign travel if required), stay productive and their Science Contact has no complaints.

Sponsored travel (e.g., paid for by Universite de Paris) or off-site work is simple for stipendees, whereas employees often need invoicing for sponsored travel, and/or designated action by the Host's Human Resources department for off-site work. Fellows should be aware of these differences when choosing a model.

RETIREMENT BENEFITS

For stipendees, there are no retirement benefits.

For employees, retirement funds come out of the negotiated overhead/fringe rates. The benefits may differ between institutions. Generally there will be a 401(a) plan for employer contributions and possibly a 403(b) for voluntary employee contributions. Such funds, if accrued, are unlikely to amount to much over the course of a fellowship, but note that retirement funds cannot be withdrawn before retirement without substantial tax penalties, so should likely be “rolled over” to a similar but portable account.

DISABILITY and/or WORKMEN'S COMP

Disability is typically available to employees, but not to stipendees. Check with your Host Institution.

LIFE INSURANCE OPTIONS

For stipendees, there are no life insurance benefits. Employees will often have some basic life insurance as a benefit. Check with your Host Institution.

TELECOMMUTING POLICY

Fellows are expected to be in residence at their Host Institutions under either model. As long as they stay productive and their Science Contact has no complaints, Fellows can occasionally work from home. Employee fellows would need to follow specific rules set by their Host for telecommuting.