MEMORANDUM

To: Academic Deans, Faculty, and Staff

From: Elizabeth Garrett, Provost and Senior Vice President for Academic Affairs

Date: July 12, 2012

Subject: Reduced Fringe Benefit Rate and Provision of Equal Benefits for Postdoctoral Scholars

I am pleased to announce two substantial changes to our benefits policies that will positively affect USC’s postdoctoral scholars, especially those funded by external fellowships, and will benefit faculty who fund postdoctoral scholars from their grants.

First, the university has negotiated a new reduced fringe benefit rate with the Department of Health and Human Services of 22.5% (down from 32.8%), which as of August 1, 2012, may be applied to all new incoming postdoctoral scholars whose stipend is paid by a federally funded grant or department account. This will bring the fringe benefit rate for postdoctoral scholars in line with many of our peer institutions, and I am confident the change will encourage faculty to hire more postdoctoral scholars on their grants.

Second, as of August 1, all new incoming postdoctoral scholars will receive the same benefits package regardless of whether they are employed on a principal investigator’s grant, paid from a department account, or are recipients of an externally funded fellowship. Consequently, postdoctoral scholars who win prestigious external fellowships or who are paid from a training grant will be able to keep their health providers without an interruption in service or change in plan details when they transition from a different funding source. This has not been the case in the past, and it remains a challenge for many research universities. The new postdoctoral scholar benefits package is designed to closely match the benefits offered to faculty and staff; it includes health, dental, vision, life, accidental death and dismemberment, and short- and long-term disability insurance plans. Spouse, partner and family coverage are also available, and there will be a choice of HMO and PPO plans. As an additional component of this new suite of benefits, all new postdoctoral scholars will be eligible for tuition remission for training-related courses at USC. All current Postdoctoral Research Associates and Postdoctoral Teaching Fellows appointed prior to August 1, 2012 may elect to switch to the new benefits plan or remain with their current USC benefits plan. All new postdoctoral fellows will enroll in the new plan.
Additionally, in early fall I will be announcing some new funding opportunities from the Office of the Provost, designed to recruit more of the best postdoctoral scholars and enhance their research opportunities. It is my hope that with this reduced fringe benefit rate, the equal benefits provision, and the forthcoming funding initiatives, faculty will be encouraged to recruit more of the best postdoctoral scholars to USC, and our postdoctoral scholars will be motivated to apply for more of these prestigious externally funded fellowships.

For further information about these changes, please contact Associate Provost Mark Todd (mtodd@provost.usc.edu) in the Office of Postdoctoral Affairs.