November 10th 2016

Dear Drs. Sundquist and Corb,

Thank you for your inquiry regarding guidance for the biomedical research community on steps that can be taken to comply with the new FLSA overtime rule and NIH policy.

It is important to note that interpretation and implementation of the Fair Labor Standards Act (FLSA) and Department of Labor (DOL) overtime regulations are under the authority of the DOL and the courts. NIH takes no position on the applicability of the overtime regulations to a particular worker supported by NIH grants. Institutions should consult their own counsel and/or local Department of Labor office about the applicability of the overtime regulations, and for information on overtime obligations.

However, as your letter indicated, the editorial by Dr. Collins and Secretary Perez announced NIH plans to increase stipends for Ruth L. Kirschstein postdoctoral National Research Service trainees and fellows in recognition of the importance of postdoctoral contributions to research. A notice about projected FY2017 postdoctoral NRSA stipends [https://grants.nih.gov/grants/guide/notice-files/NOT-OD-16-134.html](https://grants.nih.gov/grants/guide/notice-files/NOT-OD-16-134.html) was issued in August.

Below I provide answers to the specific questions raised in your letter of inquiry.

**Will the NIH increase the funds awarded to institutions to account for the increase in postdoc salaries?**

NIH will award supplements to currently active Institutional Training Grants and Individual Fellowship awards to increase the stipends of postdoctoral scholars with 0, 1, and 2 years of experience to $47,484 (year 0), $47,844 (year 1) and $48,216 (year 2) effective December 1, 2016 to the end of the current period of appointment.

Dates of implementation of projected FY 2017 stipend levels for postdocs with 3-7 years of experience ([NOT-OD-16-134](https://grants.nih.gov/grants/guide/notice-files/NOT-OD-16-134.html)) are subject to availability of FY 2017 appropriations.

NIH does not plan to increase funds awarded to currently active Research Project Grants.

Researchers submitting new or competing renewal Research Project Grant applications may include in their budget a request for increased postdoctoral salaries, consistent with their current institutional policy on compensation for postdoctoral researchers.
Can grantees re-budget an existing award in order to comply with the final overtime rule and would re-budgeting require approval from NIH?

Institutions may re-budget Research Project Grant funds to increase postdoctoral pay to levels at or above the threshold and do not need to submit a formal request to the NIH to be able to do this.

Institutions cannot re-budget existing Institutional Training Grant awards or Individual Fellowship awards that provide NRSA support to postdoctoral trainees or fellows.

Will NIH allow grantees to apply for administrative supplements to cover the additional costs incurred from FLSA overtime rule compliance?

On November 7, 2016, NIH published a Guide Notice [http://grants.nih.gov/grants/guide/notice-files/NOT-OD-17-002.html](http://grants.nih.gov/grants/guide/notice-files/NOT-OD-17-002.html) describing the process by which awardees may apply for administrative supplements to currently active Institutional Training Grants and Individual Fellowships that support postdoctoral NRSA trainees and fellows with 0, 1 or 2 years of experience. Specifically, recipients of Kirschstein-NRSA institutional training grant and individual fellowship awards supporting currently active postdoctoral trainees and fellows at levels 0, 1, and 2, ending after December 1, 2016, may apply for one-time supplemental funding to support the stipend increase using the Parent Announcement for Administrative Supplements to Existing NIH Grants, PA-16-287. Applications for administrative supplements can be submitted as soon as possible and will be processed as quickly as possible.

NIH does not plan to award supplements to Research Project Grants to support increased in postdoctoral pay.

I understand the expressed concerns regarding the impact of increases in pay for postdoctoral researchers. The NIH policies described above reflect recognition of the essential role of postdoctoral researchers to the mission of NIH, and also goals to continue to support as many researchers and the best science possible.

I hope this response assists you in informing and advising the ASBMB community. Thank you for all your work on behalf of science, research, and postdoctoral researchers.

Very Best Regards

P. Kay Lund PhD
Director, Division of Biomedical Research Workforce
Office of Extramural Research (OER)
Office of the Director (OD)
National Institutes of Health (NIH)