

Summer Undergraduate Research Fellowship Compensation Procedures

At Penn there are summer undergraduate research fellowships that include NSF REU (Research Experience for Undergraduates) and RET (Research Experience for Teachers) programs. A standard process has been established to pay the stipends of participants of the summer undergraduate research fellowship programs through the University's Personnel/Payroll System.

Please follow these instructions to ensure individuals are compensated accurately and are in compliance with government regulations.

1. The students should be setup in the Personnel/Payroll System as temporary monthly exempt students (employee type 4).
2. The students should be entered on the Personnel Action Data screen (003) as:

Reg/Temp	Full/Part Time	Employee Type	Pay Status
T (Temporary)	T (Temporary Student Worker)	E (Exempt Monthly)	S (Salaried)

3. The following codes should be used to set up their Job Assignment Data screen (004) as:

Job Class	U.S. Earnings Type	Object Code
217305	TA1*	5070

4. The distribution dates indicated on the job screen should be in May, June, July and August.

****If a foreign student is entered into payroll to receive this fellowship, all required foreign documentation MUST be sent to the Payroll Tax Office for review BEFORE any payments can be made (completed foreign national information form, copies of the visa, unexpired passport, I-94 card and immigration document (ds2019, I20)) so that the proper taxation can be determined. If the student is eligible for treaty benefit it is their responsibility to come to the payroll office before the payroll processes to sign the proper documentation to receive the treaty benefits. The Payroll Tax Department will assign the treaty benefits by changing the TA1 earnings code to NRO when applicable. (Please note that if an employee that is eligible for treaty benefits does not come to the payroll office to sign the appropriate document then the payment as per IRS regulation will be fully taxed and a retroactive benefit will not be granted.***

Additional Information

The stipends will be paid in monthly installments, on the last working day of the month. The TA1 monthly amount will be subject to the appropriate Federal income tax, state income tax, and local wage tax. A W-2 and/or a 1042S form will be processed for these students the following January for the W2 form and March for the 1042S form after their employment. W2 and/or 1042S forms are mailed to the student based on the permanent address in the payroll system, and available on the U@Penn portal.

A part-time EB (employee benefit) rate will be charged on all stipends. The students are not eligible for any benefits (including health and retirement), and will be excluded for all benefits plans.