

Tax Withholding on Graduate Stipends

(February, 2019)

Service Stipends						
Description	Service Required for Receiving Degree?	Stipend subject to withholding for:				
		Federal Tax	FICA Tax	Medicare Tax	Pennsylvania State Tax	Philadelphia City Wage Tax
Teaching Assistant	No	Yes	No (Note 1)	No (Note 1)	Yes	Yes
Research Assistant	No	Yes	No (Note 1)	No (Note 1)	Yes	Yes
Teaching Fellow	Yes	Yes	No	No	No	Yes
Research Fellow	Yes	Yes	No	No	No	Yes

Notes:

1. Stipend is exempt from FICA/Medicare tax while student is a “full-time” graduate student. Summer teaching/research assistant appointments are subject to FICA/Medicare tax.

Non-Service Stipends	
Educational Fellowship	US Citizens and Residents: Stipends are not subject to withholding and not reported on individual’s W-2. However, student must report and pay federal income tax on any payments in excess of tuition, fees, books and certain other expenses.
Pre-doctoral Trainee	Nonresident Aliens: If the student is not from a tax treaty county, federal income tax must be withheld from the stipend at 14%. Those students from tax treaty countries that have a provision for scholarships and fellowships may claim exemption from withholding by visiting the Payroll Tax Office to sign a Tax Treaty.

Students should refer to their appointment letter or contact their department to determine the type of stipend they are receiving.