

FICA Information for Student Employees

Students/FICA Information

The IRS provides general standards for determining whether work performed by a student is exempt from FICA (Social Security and Medicare) taxes under Code Section 3121 (b) (10).

The standards apply only to "institutions of higher education." Generally speaking, a student is exempt from FICA taxes so long as the student is enrolled and regularly attending classes at that school and the work performed is incident to and for the purpose of pursuing a course of study at the school. "Career employees" are ineligible for FICA exemption.

In Rev. Proc. 98-16 (1998-5 IRB 2/5/98), the IRS made it easier for part-time students to qualify for the student FICA exemption. Anyone who is at least a "half-time" undergraduate student or a "half-time" graduate or professional student (not a career employee) qualifies for the exemption with respect to work performed for an institution of higher education. "Halftime" is defined as 6.0 - 8.9 credit hours per the Student Services Policies & Procedures.

The determination of student status should be made by each supervisor at the end of the drop-add period and may be adjusted later on at the school's option. For payroll periods ending before the end of the drop-add period, student status may be determined based on the number of semester hours being taken at the end of registration period for that semester.

The exemption does not apply to work performed by anyone who is not enrolled in classes during school breaks of more than five weeks (including summer breaks of more than five weeks).

This exemption applies no matter how much the student is paid, what kind of work is performed, where it is performed or the number of hours worked so long as the work is incident to and for the purpose of pursuing a course of study at the college.

Student Signature _____

Supervisor Signature _____