

Tax Basics for Graduate Assistants

Stipends and Taxes

If you are a Graduate Assistant and receive a stipend, here's what you need to know:

Tax Type	Will It Be Taken Out of Your Stipend?
Federal Tax	✓ Yes
FICA (Social Security)	✗ No, if you're enrolled in 5+ credit hours
Medicare	✗ No, if you're enrolled in 5+ credit hours

Important Notes:

- If you drop below 5 credit hours, FICA and Medicare will be withheld, unless it's your graduation semester.
- If you're graduating and taking fewer than 5 credit hours, you're still exempt from FICA and Medicare.

Tuition and Taxes

There are tax implications for tuition benefits depending on what type of graduate assistantship you have: GTA, GRA, or GAA. Section 117(d) of the Internal Revenue Code address the taxability of tuition benefits offered to graduate assistants.

Not Taxed

- Graduate Teaching Assistants (GTA)
- Graduate Research Assistants (GRA)

Taxed

- Graduate Administrative Assistants (GAA)

Graduate Administrative Assistant tuition benefits are added to their W2 as taxable income. This will increase tax liability. Graduate Administrative Assistants should be prepared for the increase in tax liability and can adjust their W4 accordingly in Pipeline while they are receiving a stipend.

Situations will differ depending on the number of classes taken and withholding allowances, but students should keep in mind the possible tax implications.