

Overview

The various methods of paying graduate students are sometimes used interchangeably, or a generic term like “stipend” is used. However, in order to properly pay the student, have the appropriate taxation occur, it’s important to understand the differences in the type of aid. The rules enumerated below are in accordance with IRS guidance.

RA and TA – RA’s and TA’s (Research Assistants and Teaching Assistants respectively) receive a stipend and are expected to perform a specific service, or range of services. Because the student is under the supervision of someone at Rice University and that supervisor has the ability to tell the student where, when and how to perform their assignment, **this person is considered an employee.**

Postdoc – Postdocs are employees of the University and are eligible for benefits. They are hired into a specific position and are under the supervision of someone at Rice University who, similar to RA’s and TA’s, has the authority to direct their work. **This student is considered an employee.**

Fellow – A fellow is a student who receives a fellowship award of financial aid, is provided a stipend and/or tuition support. No service is expected in return for a fellowship; it is awarded on a merit or need basis to assist the student in the pursuit of a degree. **Because no service is expected, this person is not considered an employee.**

Postdoc Fellow – Postdoctoral fellows and postdoctoral associates are appointed to the research staff where their primary goals are to extend their own education and experience. Persons appointed to postdoctoral titles may participate in the research training of graduate students and sometimes teach informally. Postdoctoral fellows also may teach as a way of developing academic skills in anticipation of a faculty career, if the experience is formally mentored and appropriate attention continues to be devoted to development of the research program. **Because no service is expected, this person is not considered an employee.**

A student falls into one of the above categories based on the type of arrangement and expectations for the aid, NOT based on the funding source of the aid. As such, it is very rare that a student would change employment status more often than the beginning of a semester. The funding source for payment may change during the semester, but the employment status may not without a review of the specific circumstances of the HR and Payroll offices.

- Positions that are considered employees will be paid semi-monthly through payroll. These students will have the relevant payroll taxes withheld.
- Positions that are not considered employees will be paid semi-monthly through the procure to pay (P2P) process. Domestic students will not have taxes withheld however, international students may, depending upon the tax treaty with their home country and whether or not the student has registered in FINIS.

See <https://www.irs.gov/taxtopics/tc421> for information regarding the taxability of each type of aid.

Process

Regardless of payment method, the process for paying a student will always begin with the HCM Initiator's process of using a My Team Quick Action. Please see the Job Aid: **Guide to Using My Team Quick Actions**.