

**Lehigh University Payroll Office**  
**524 Brodhead Avenue**

**Payroll Considerations When Paying RAs/GAs/TAs/PAs\* and Fellowships**

*\*(Research Assistants, Graduate Assistants, Teaching Assistants, and Project Assistants)*

The following document is provided to you as a guide to assist in understanding the paperwork requirements, Banner Finance entries and individual tax considerations for our graduate students who serve as RAs/GAs/TAs and PAs. If you have any additional questions, please contact the Payroll Manager, at extension 85525.

**In General**

Requests to pay RAs/GAs/TAs/PAs must be submitted on Assignment/Appointment forms to the Payroll Office. The current version of the blank Assignment/Appointment form can be found on the Controller's Office Web Page (click on "Payroll Forms"). To ensure proper taxation and accounting, it is very important that you clearly state the proper position title and position number when you submit or update an Assignment/Appointment form. The safest approach is to always use a blank form when the student is starting in a new position.

RA/GA/TA/PA positions are generally limited to 20 hours per week during the academic year. Any requests to pay a student RA/GA/TA/PA more than 20 hours per week must be approved by the Dean of the College where the student was originally appointed.

**Important note:** Tuition remission is not an allowable form of compensation for services rendered. Payment of stipends must be processed through the Payroll Office.

**Research Assistants**

Research Assistants are: (1) enrolled as a regular graduate student; (2) candidates for a graduate degree; (3) in residence (devoted essentially full time to a program of graduate work); and (4) appointed to do research that is required as a part of a degree program and for which the student receives a stipend. Research assistants are not eligible for University benefits.

### Required paperwork:

- Assignment/Appointment form that includes:
  - research assistant position number (usually starts with a RA)
  - start and end dates for the position
  - per pay amount
  - appropriate signatures (including Office of Research for indexes 529XXX-549999 and 590XXX-590999)
- Formal letter of appointment issued by an authorized individual. The appointment letter ***should state that the recipient is a candidate for a degree and that the research is required of all candidates for that degree as a condition of receiving the such degree, a payment amount, the length of service, and duties to be performed. (See sample letter at the end of this document).***

### Banner Finance Entries:

- The expense for paying an RA will post to your Banner Finance Index in Account 61510 (RA/GA/TA-No FICA) or 61560 (RA/TA/GA with FICA) depending on the student's FICA tax status (see "Taxes" below)
- The Employee Benefit rate for account code 61510 for Fiscal Year 2010 is 0%. The rate for account code 61560 is 8.1%.

### Taxes:

- PA State: No
- Bethlehem EIT: No (Effective February 1, 2003)
- Federal Income Tax: Yes (note: foreign students may be exempt under a tax treaty)
- FICA: If the student meets the student FICA exemption requirements at the time the payroll is run (half time enrollment or Certified Full Time enrollment) or is a student nonresident alien (present in the U.S. during two calendar years or less) then they will be exempt from FICA tax.

## **Teaching/Graduate Assistants**

Teaching/Graduate Assistants must be regular full-time resident (devoted essentially full time to a program of graduate work) Lehigh graduate students. A TA/GA position is a half-time position and each TA/GA provides services to Lehigh of up to 20 hours per week. A TA/GA must meet any academic requirements for the position as established by the appointing department and the University, including adequate progress toward a graduate degree.

### Required paperwork:

- Assignment/Appointment form that includes:
  - Teaching/graduate assistant position number (usually starts with a G)
  - start and end dates for the position

- per pay amount
- appropriate signatures (including Office of Research for indexes 529XXX-549999 and 590XXX-590999)
- Formal letter of appointment issued by an authorized individual. The appointment letter should state payment amount, length of service, and performance of duties.

#### Banner Finance Entries:

- The expense for paying an TA/GA will post to your Banner Finance Index in account 61510 (RA/GA/TA-No FICA) or 61560 (RA/TA/GA with FICA) depending on the student's FICA tax status (see "Taxes" below)
- The Employee Benefit rate for account code 61510 for Fiscal Year 2010 is 0%. The rate for account code 61560 is 8.1%.

#### Taxes:

- PA State: Yes
- Bethlehem EIT: Yes
- Federal Income Tax: Yes (note: foreign students may be exempt under a tax treaty)
- FICA: If the student meets the student FICA exemption requirements at the time the payroll is run (half time enrollment or Certified Full Time enrollment) or is a student nonresident alien (present in the U.S. during two calendar years or less) then they will be exempt from FICA tax.

### **Project Assistants**

Project Assistants are students or non-students who are working for a short time on a research project. The work performed is not a condition of a degree program. They are not eligible for University benefits. Appointment is offered by the principal investigator or project director in consultation with the chairperson of the department and is reviewed by the Office of Research.

#### Required paperwork:

- Assignment/Appointment form that includes:
  - Project Assistant position number
  - start and end dates for the position
  - per pay amount
  - appropriate signatures (including Office of Research for indexes 529XXX-549999 and 590XXX-590999)
- Formal letter of appointment issued by an authorized individual. The appointment letter should state payment amount, length of service, and performance of duties.Banner Finance Entries:

- The expense for paying an Project Assistant will post to your Banner Finance Index in account 61540 (Project Assistant) or 61560 (RA/TA/GA with FICA) depending on the person's FICA tax status (See "Taxes" below)
- The Employee Benefit rate for account code 61540 for Fiscal Year 2010 is 0%. The rate for account code 61560 is 8.1%.

Taxes:

- PA State: Yes
- Bethlehem EIT: Yes
- Federal Income Tax: Yes (note: foreign individuals may be exempt under a tax treaty)
- FICA: If the student meets the student FICA exemption requirements at the time the payroll is run (half time enrollment or Certified Full Time enrollment) or is a student nonresident alien (present in the U.S. during two calendar years or less) or research nonresident alien (present in the U.S. during five calendar years or less) then they will be exempt from FICA tax.

### Fellowships

Fellowships are award payments made to a graduate student based on academic merit. Fellowships carry no obligation of service. Recipients are however required to meet and maintain applicable academic qualifying standards for their fellowship.

Required paperwork:

- Assignment/Appointment form that includes:
  - Fellowship position number
  - start and end dates for the position
  - per pay amount
  - appropriate signatures (including Office of Research for indexes 529XXX-549999 and 590XXX-590999)
- Formal letter issued by an authorized individual. The appointment letter should state payment amount, start and end dates, and that there are no obligations of service associated with the fellowship (**see sample letter at the end of this document**). **This letter should also be signed by the graduate student.**  
*Note: If the fellowship letter is not provided to payroll as documentation, then the student will be paid as a graduate assistant.*

### Banner Finance Entries:

- The expense for paying an fellowship will post to your index in account 65840 (Student Fellowships) for fiscal years up to and including 2003. Effective Fiscal Year 2004, fellowship expense will post to account code 61530.
- The Employee Benefit rate for account code 61530 for Fiscal Year 2010 is 0%.

### Taxes:

- PA State: No
- Bethlehem EIT: No
- Federal Income Tax: Fellowships are not subject with federal income tax withholding and are not included on the student's W-2. However, the student is responsible for reporting the payment to the IRS and paying federal income tax on that payment. See Controllers Office website "Payroll – Other Information" for additional information about fellowships and federal taxes as well as alternatives for withholding.
- FICA: No

**SAMPLE FELLOWSHIP LETTER**

(Date)

Dear XXXXX:

I am pleased to offer you a fellowship in the Department of XX for the period \_\_\_\_\_ to \_\_\_\_\_. This award is made upon the recommendation of the faculty in the Department of XX and is in recognition of your excellent academic accomplishments.

You will receive a stipend of \$X,XXX per month, resulting in a total payment of \$X,XXX. In addition, you will be awarded tuition for full-time graduate study which has a value of \$X,XXX. During that time, you will be able to concentrate on your academic studies, since **there are no obligations of service associated with your appointment.** For this fellowship, you should ensure that you maintain a GPA of not less than X.XX.

If you would like further details on your financial aid arrangement, please do not hesitate to contact XXXXXXXX.

Sincerely yours,

XXXXXXXXXXXXXXXX

Accepted:

\_\_\_\_\_  
[Student name]

\_\_\_\_\_  
Date

cc: Payroll Office

**SAMPLE LETTER OF APPOINTMENT FOR RA**

[Date]

Dear XXXXXX:

I am pleased to offer you a full-time \_\_\_\_\_ Research Assistantship in the College of XXXXX for the period \_\_\_\_\_ to \_\_\_\_\_. Please be aware that this award is only for this period and there is not assurance of additional awards in future years.

The stipend for this position is a total of \$XX,XXX or \$XXX per pay. The stipend is paid in equal semi-monthly installments from which appropriate federal, state and local taxes are deducted. Upon submission of all appropriate documentation, the first payment will be made on September 15, 20XX and your final pay will be May 31, 20XX.

Your responsibilities as a \_\_\_\_\_ will require up to 20 hours per week. You also must be registered as a full-time Lehigh graduate student. And, as you know, the work associated with this stipend is required of all candidates for your \_\_\_\_\_ degree. Per our discussion, your primary responsibility will be to .....

You should be aware that you are only considered a full-time student if you are taking 9 or more credits per semester or if your advisor certifies you as such if you are taking a practicum or internship. To ensure that you can devote sufficient time and effort to your academic studies, you are not eligible for any other assistantships and may not seek additional employment inside or outside the University without the approval of the Dean of the College of XXXX.

If you accept this offer, please sign the enclosed copy of this letter. Retain the original for your files and return the other to me by XXXXXXXXXX.

Sincerely,

XXXXXXXXXX

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Social Security Number

cc: Payroll Office

## SAMPLE LETTER OF APPOINTMENT FOR TA/GA/PA

[Date]

Dear XXXXXX:

I am pleased to offer you a full-time \_\_\_\_\_ Assistantship in the College of XXXXX for the period \_\_\_\_\_ to \_\_\_\_\_. Please be aware that this award is only for this period and there is not assurance of additional awards in future years.

The stipend for this position is a total of \$XX,XXX or \$XXX per pay. The stipend is paid in equal semi-monthly installments from which appropriate federal, state and local taxes are deducted. Upon submission of all appropriate documentation, the first payment will be made on September 15, 20XX and your final pay will be May 31, 20XX.

Your responsibilities as a \_\_\_\_\_ will require up to 20 hours per week. You also must be registered as a full-time Lehigh graduate student. Per our discussion, your primary responsibility will be to .....

You should be aware that you are only considered a full-time student if you are taking 9 or more credits per semester or if your advisor certifies you as such if you are taking a practicum or internship. To ensure that you can devote sufficient time and effort to your academic studies, you are not eligible for any other assistantships and may not seek additional employment inside or outside the University without the approval of the Dean of the College of XXXX.

If you accept this offer, please sign the enclosed copy of this letter. Retain the original for your files and return the other to me by XXXXXXXXXX.

Sincerely,

XXXXXXXXXX

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Social Security Number

cc: Payroll Office