

FISCAL INFORMATION FOR GRADUATE STUDENTS

All graduate students with a MIT fellowship, research assistantship, or teaching assistantship will be paid monthly on the last business day of the month.

General Tax Information

Tuition: The tuition scholarship portion of a research assistant, teaching assistant, or fellowship awards is not considered income to the student. Students will receive a 1098T tax form from Student Financial Services for tuition at year end.

Fellowship Stipends

<ul style="list-style-type: none"> Fellowship stipends are subject to federal and state income taxes except for amounts spent on "qualified" expenses. Portions of stipends used for personal items such as clothes, food, rent, etc. are subject to federal and state income taxes. Qualified expenses are expenses such as tuition, books, fees, or other items specifically required by MIT in order to complete a degree. Fellows do not need to fill out the tax withholding forms on Atlas / About Me/ Money Matters. However, Fellows should fill out their direct deposit information, so that their stipend is deposited directly in their bank account on payday: https://atlas.mit.edu/atlas (go to About Me / Money Matters / Direct Deposit Preferences) Note 1 Please see "For Further Assistance" below for where to find information on qualified expenses, estimated tax, etc. 	
For U.S. citizens and permanent residents	For international students
<ul style="list-style-type: none"> Tax regulations do not allow MIT to withhold federal and Massachusetts income taxes from the Fellowship stipend. Therefore, if the student Fellow deems the stipend will be spent on non-qualified expenses, the student should consider making estimated federal and state payments to the IRS and the state. You will not receive any tax form from MIT 	<ul style="list-style-type: none"> Federal income tax is withheld from Fellowship stipends at a flat rate depending on the student's visa type (14% for students with an F-1 or J-1 visa, 30% for all other.) State tax is not withheld and it is the student's responsibility to determine their state income tax liability and make estimated tax payments to the state, if necessary. You will receive tax form 1042S from MIT. Student Fellows may be eligible for a federal tax exemption if the student's home country has a tax treaty with the U.S. Please see "Tax Treaties," below.

TA and RA Assistantships

<ul style="list-style-type: none"> Research assistant and teaching assistant payments are subject to federal and state income taxes and MIT is required to withhold federal and Massachusetts income taxes from assistantship payments, Therefore, assistants must submit the necessary federal and Massachusetts tax withholding forms on-line so that HR/Payroll receives your withholding information. Go to https://atlas.mit.edu/atlas (go to About Me / Money Matters / Tax Withholding)Note 1 It is important for assistants to fill out withholding forms by HR/Payroll's Monthly Employment Transactions cutoff date for the month <u>before</u> their first assistantship payment, if possible. The monthly schedule is published at: http://vpf.mit.edu/site/calendar_schedules/schedules/payroll_monthly_closing If HR/Payroll does not receive withholding forms before the cutoff date, the tax withholding rate for that month's payment could be higher than if the assistant had submitted the forms. HR/Payroll cannot adjust tax withholding for prior months' payments retroactively. Assistants should also fill out their direct deposit information. Please select Direct Deposit Preferences. 	
For U.S. citizens and permanent residents	For international students
<ul style="list-style-type: none"> Assistants will receive tax form W-2 from MIT 	<ul style="list-style-type: none"> Student research and teaching assistants may be eligible for a federal and state tax exemption if the student's home country has a tax treaty with the U.S. Please see "Tax Treaties," below. Assistants with a tax treaty will receive tax form 1042S from MIT. Students without tax treaties or with tax treaties whose assistantship payments exceed the tax treaty exemption limit will receive a W-2 tax form.

Please note that MIT can only provide general information and cannot provide you with specific information about your individual tax situation.

Tax Treaties: Tax treaties for student Fellows exempt the student from federal taxes on their Fellowship stipend up to the tax treaty exemption limit (if there is one.) Tax treaties for research/teaching assistants exempt the student from federal and state taxes on their assistantship payments up to the tax treaty exemption limit, (if there is one). Payments in excess of the exemption limit are withheld at the same rates as Fellows or Assistants without tax treaties.

Tax treaty rules vary by country and treaty type and there are different treaties for fellowships and teaching/research assistantships. A list of available tax treaties is at <http://vpf.mit.edu/site/payroll/resources#4436>. If you think a tax treaty applies in your case you need to access the Glacier Tax Compliance system. If you have not received an email inviting you to sign in to Glacier, please email payroll@mit.edu to provide your name and MIT ID. In order to use the Glacier Tax Compliance system, you must be able to supply a social security number or individual taxpayer ID number.

Please contact Marsha Dailey in HR/Payroll at 617-253-2799 or by email mdailey@mit.edu if you have questions regarding fellowship taxation or tax treaties. HR/Payroll walk-in service hours at NE49-4097 are 8:30am – 4:30pm M-F, except holidays.

Tax treaty forms must be submitted every year, so please be sure to check with HR/Payroll in early January (before your January payment) to see whether you are eligible for a tax treaty for the new year.

For Further Assistance:

- To help in the preparation of federal taxes, students may wish to consult IRS Publication 970, *Tax Benefits for Education*. This useful publication addresses a variety of issues related to graduate students and their tax obligations. Chapter 2 of Publication 505 may also be helpful, which describes who must pay estimated tax. Federal forms can be found at www.irs.gov and state forms can be found at www.dor.state.ma.us.
- In addition, the Graduate Student Council website provides an online tax tutorial for US citizens, permanent residents and international students with fellowships, research assistantships and teaching assistantships. This information can be accessed at: <http://gsc.mit.edu/index.php/tax-workshop>
- For further assistance, the International Students Office provides access to tax preparation websites that are specifically designed for international students. These programs can be found at <http://web.mit.edu/iso/>

Note 1: Before entering your tax information or direct deposit information, please make sure you obtain a web certificate at the following address: <https://ca.mit.edu/ca/>

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