

Student Social Security Tax Withholding Exemption

FIN-PAY-IV-230



About This Policy

Effective Date:

08-01-1996

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Responsible University Office:

Financial Management Services

Responsible University Administrator:

Vice President and Chief Financial Officer

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Scope

Policy applies to students who are also employees of the University. Outlines the requirements for students to be exempt from (social security) FICA withholding.

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Policy Statement

In accordance with federal tax laws, Indiana University shall grant an exemption from social security (FICA) tax withholding on wages paid to a student during an academic semester or summer session in which that student is enrolled and regularly attending classes at Indiana University. Enrolled and Regularly Attending Classes-a student will be deemed to be enrolled and regularly attending classes if enrolled at least half-time, i.e. fifty percent (50%), of the minimum number of hours required for full-time enrollment certification purposes. Minimum exemption thresholds follow:

Graduate Students	
Fall, Spring Semesters:	four (4) credit hours per semester employed
First, Second Summer	two (2) credit hour per session employed
Active Dissertation Status:	one (1) credit hour per semester employed in G901 or departmental equivalent
Undergraduate Students	
Fall, Spring Semester:	six (6) credit hours per semester employed
First, Second Summer:	three (3) credit hours per session employed

Between Semesters: IU students who are enrolled and regularly attending classes in a given academic semester/session will be afforded the exemption from FICA tax withholding for any brief period of time between the end of one semester/session and the start of the succeeding semester/session if they qualified for the exemption in the immediately preceding semester/session (for example, a student enrolled during the Second Summer session would retain the exemption during the period between the end of the second summer session and the start of the fall semester, Christmas break, etc.,).

Full Time Employees: all non-student, and/or full time employees of Indiana University will not be eligible for the student FICA exemption.

Student Identification Number: in order to be exempted from FICA tax withholding, a student-employee must supply her/his Student Identification Number to the university department(s) where employed. Campus payroll offices will not refund taxes withheld due to the failure of a student-employee to provide the paying department with a valid Student Identification Number.

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Reason For Policy

To communicate the laws and regulations, and establish the circumstances under which student-employees of Indiana University will be granted an exemption from having social security (FICA) taxes withheld from wages.

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History

This policy was established on August 1, 1996.