

University of Wisconsin Service Center

Students Working During the Academic Year Social Security and Medicare Tax Deductions

Policy: Students may be exempt from Social Security and Medicare (FICA) withholding during the academic year provided the student is registered at least half time or greater at a UW System institution and meets other exemption criteria. **See the complete policy statement at this web address:** <http://www.uwsa.edu/fadmin/gapp/gapp18a.htm>

AY 09-10 Dates:

The exempt period of Student Hourly employees begins with the September A pay period that begins August 23, 2009. See below for additional information.

The exempt period for Graduate Student Assistants paid on the Unclassified payroll begins with the September Regular payroll. The FICA indicator will be automatically switched to “N” after the August EOM payroll calculation. This applies to Student Assistants with active unclassified payroll records.

Note: The student must meet eligibility requirements to be exempt from FICA and Medicare.

What payroll coordinators need to do:

For existing Student Hourly appointments, the FICA indicator in the Student Appointment Payroll system will be automatically switched to “N” for active appointments and those with end dates on or after 5/16/09 (in the event any of these ended appointments are reactivated for the fall). Detailed information regarding the timing of this indicator switch is included in the email to which this document was attached.

The Student Enrollment Verification for FICA Exemption query in the Shared Query Library should be run during each student pay period.

- If Student **IS** eligible for the exemption: Check the FICA indicator to confirm it is set to “N” with the appropriate effective date.
- If Student **IS NOT** eligible for the exemption: The FICA indicator should be changed to “Y” in the Manage Person screen with the appropriate effective date.

When creating a “new” student appointment or re-opening (reactivating) an existing appointment at anytime during the year:

- Always check the FICA indicator in the Manage Person screen.
- Historical changes to the FICA indicator (effective dates prior to the current payroll) need to be made by the UW Service Center. Send an e-mail with the

name, person ID, FICA indicator value needed, and effective date to
payroll@ohr.wisc.edu

It is important that payroll records are coded correctly as Social Security and Medicare Tax taken in error will not be refunded.

Questions regarding the Social Security and Medicare Tax can be directed to the UW Service Center: payroll@ohr.wisc.edu

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Feedback, questions or accessibility issues:
ohrwebmaster@ohr.wisc.edu

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