



Summer Registration Requirements and Options for Graduate Students: FICA-Exemption

All graduate students employed and not enrolled in at least 3 credits in the summer while on a Graduate Assistantship are subject to **FICA taxes** on their earnings.

What is FICA? The Federal Insurance Contribution Act (FICA) is a federal law that requires employers to withhold certain taxes from the wages they pay their employees. FICA tax is a combination of a 6.2% Social Security tax and a 1.45% Medicare tax the IRS imposes on employee earnings which equals **7.65%** taxes being withheld. FICA is the means by which Social Security and Medicare are funded. If taxed, **7.65%** of your gross wages plus an equal amount paid by UMBC will be paid in and utilized in determining your benefit upon retirement.

If domestic Graduate Assistants are not registered for at least three (3) credits at all times during the summer, the Graduate Assistant and the supporting department will each pay approximately **7.65%** of the student's gross pay each pay period as FICA.

International Graduate Assistants with F-1, J-1, M-1, or Q-1 immigration statuses **MAY** be FICA-exempt but should consult the information in the following links, to determine eligibility for exemption: <https://www.irs.gov/individuals/international-taxpayers/foreign-student-liability-for-social-security-and-medicare-taxes>

To retain FICA exemption during summer 2022, domestic Graduate Assistants (GAs) must be registered for at least three (3) credits at all times. If not enrolled in regular coursework providing an enrollment of at least 3 credits for the entire summer, students should choose the proper combination of GRAD 603 and research credits to satisfy the minimum enrollment requirement.

All Graduate Assistants may register for GRAD 603 (class number 1460), which carries two (2) credits at no cost and at least 1 credit of coursework or research that contributes to progress toward the degree. GRAD 603 is **NOT** a mandatory enrollment requirement for FICA exemption.

Ph.D. students who have reached candidacy are allowed to register for either 898 or 899 for summer FICA exemption.