

# SOCIAL SECURITY & MEDICARE TAX EXEMPTION POLICY

## Policy

Students who are enrolled at least half-time, as defined by the University of Nebraska, qualify for the exemption, see table below.

Undergraduate students must take a minimum of 6 credit hours per summer session. For students in their final semester, the half-time rule and the 6 credit hour rule is waived so long as they are enrolled for the number of credit hours needed to complete the requirements to obtain a degree. To qualify, students must submit a copy of the UNMC Application for Degree to the Payroll Office.

Graduate degree candidates in their final semester of a degree program, with the approval of the Dean of their college, who are registered for fewer than the minimum hours required for a half time program may be granted half-time status provided they are not employed more than 20 hours per week. To qualify for the FICA exemption, students must submit a copy of their UNMC Application for Degree.

A student who works during the school breaks of five weeks or less qualifies for the exemption, provided that he or she qualified for the student FICA exemption at the end of the preceding session and is eligible to enroll in the following session. The exemption does not apply to a student who continues employment during a break of more than five weeks. Thus, summer employment of more than five weeks when the student is not enrolled will be taxed.

In order to qualify for the FICA exemption, students and graduate assistants cannot work greater than 20 hours per week in order to qualify for the FICA exemption.

To qualify, students must be enrolled for the following number of hours per term:

### Fall & Spring Term

#### Undergraduate

6 or more hours

#### Graduate

4 or more hours

3 or more (MSN/DNP)

### Summer Terms

#### 8-Week Session

##### Undergraduate

6 or more hours

##### Graduate

2 or more hours

#### I & II 5-Week Session

##### Undergraduate

6 or more hours

#### Graduate

1 or more hours

If you have questions concerning the FICA tax exemption requirements, contact the Payroll Office 402-559-7460.

**Policy Process Applied:** Interim

**Responsible Officer:** Payroll Supervisor and Controller

**Date Approved by Responsible Officer:** 02/23/2021

**Date Approved by Education Council Policy Committee:** 12/19/2022

**Date Approved by Education Council:** 1/19/2023

**Date Approved by Senior Vice Chancellor for Academic Affairs:** 1/19/2023

**Policy Expiration Date:** 1/19/2024

**Review Cycle:** One-Year Interim

**References:** IRS Revenue Procedure 98-16