# **CHARGE THE CITY UNIVERSITY OF NEW YORK**

FICA Tax Exemptions for Student-Employees Policy & Procedures

## Policy for CUNY Student FICA Tax Exemptions

- A new policy was established in April 2019 based on IRS regulations and procedures.
  - Section 3121(b)(10)
  - *Revenue Procedure 2005-11*
- Effective this semester, the University will make student FICA determinations based on "safe harbor guidelines."
  - As defined in *Revenue Procedure 2005-11*
  - Complete Policy can be found on OHRM website (walk-through in later slide)
- What are "safe harbor guidelines?"



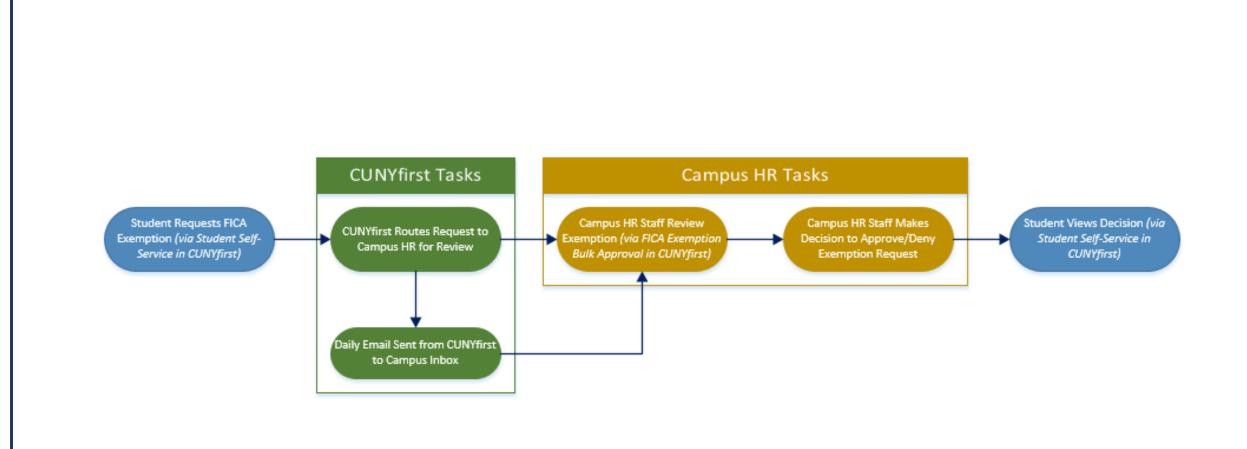
## Safe Harbor Guidelines (per IRS)

Under the *Revenue Procedure 2005-11* safe harbor rules, a wage payment made by the University to a student-employee will qualify for FICA tax exemptions if the individual:

- is at least a half-time undergraduate student or at least a half-time graduate or professional student of the University,
- is not a full-time employee of the University,
- is not a "professional employee" and
- is not a career employee eligible to receive certain employee benefits or participate in certain employment benefit plans (*i.e., vacation, sick leave, 403(b), etc.*)

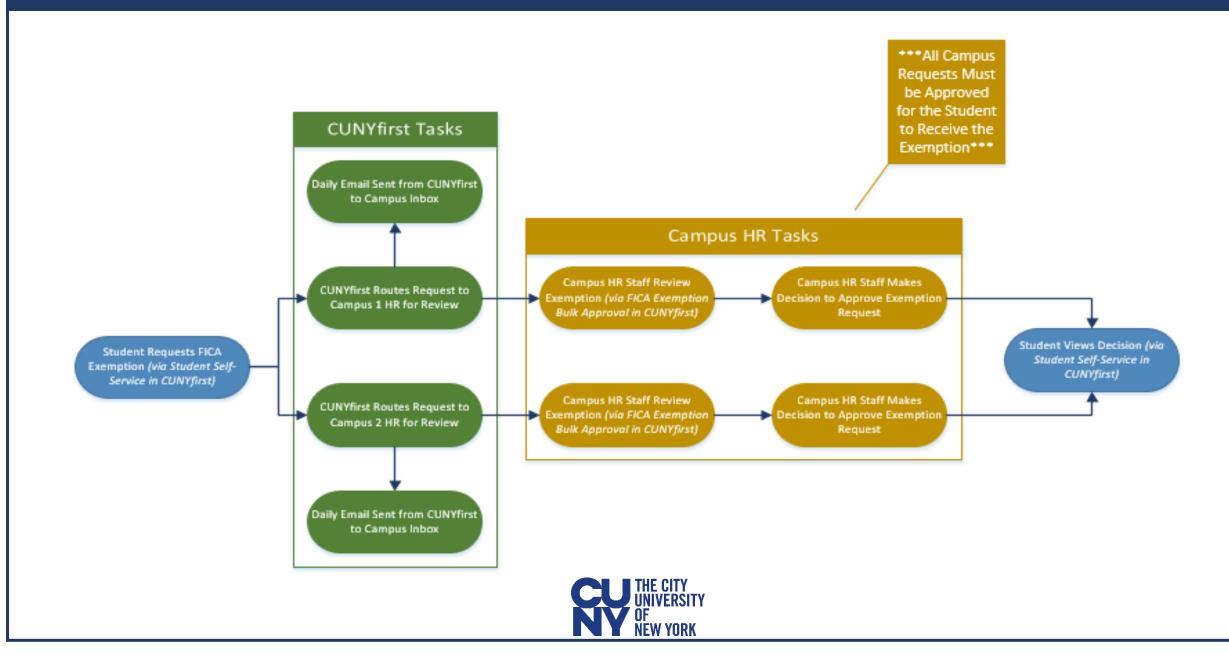


### Workflow 1: Student Employed at One Campus





#### Workflow 2: Student Employed at Multiple Campuses



## Student Self-Service in CUNYfirst

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## FICA Exemption Module in CUNYfirst

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- After semester begins, how long should the campus wait to approve/deny exemption requests?
  - 21 days
- Does this new process apply to internal students?
  - No. The NRA clean-up project will be completed at a different date.
- After HR approves an exemption request, how long does it take to reflect on a student-employee's paycheck?
  - Within 2 pay cycles at maximum. For student-employees who are employed at multiple campuses, the overall exemption request will be implemented within 2 pay cycles after the final campus' approval.
- After campus HR approves an exemption request, how will they know that Central Office Payroll has approved/denied?
  - Campus HR staff must periodically check the request status in CUNYfirst.

A full list of FAQs can be found on OHRM's website.



#### **Questions?**

