

Student Funding, Taxes & Payroll for Thesis Students

Graduate students in thesis-based programs may receive financial support from a number of sources. Offers of financial support are normally made with the offer of admission.

Students who work full-time for pay must disclose this information to the AVPRGS Office and may not be eligible for scholarship support.

Types of Funding

i) StFX Graduate Scholarships: Up to \$8000 per year. Normally awarded at entry and eligible for renewal if student maintains good academic standing.

ii) External scholarships or fellowships: Students may be encouraged by their supervisors to pursue funding from external sources (e.g. NSERC, SSHRC, and CIHR scholarships); provincial granting agencies such as NSHRF; research foundations; individual government agencies and departments; nongovernmental agencies, charitable organizations, foreign governments).

iii) Internal StFX “named” scholarships or fellowships (e.g. departmental scholarship funds or the Jeannine Deveau Equity Endowment Scholarship Fund)

iv) Stipends from thesis supervisors’ research grants (Student Stipend)* Student Stipends (sometimes called Fellowships) are funded by research grants held by the Thesis Supervisor. These resources are only available to students whose supervisors hold such grants and are willing and able to budget such awards within the grant.

v) Salary from thesis supervisors’ research grants (Research Assistant)* A student may be employed by a faculty member to work on research projects unrelated to the student’s thesis. The income is treated as taxable employment.

vi) Salary from departmental teaching assistantships (TAs) Students may earn employment income by assisting with undergraduate courses in the student’s department. TAs work an average of 6 hours per week for 12 weeks of the semester. The awards are valued at \$3000 per academic year.

**The difference between (iv) and (v) is discussed in more detail below.*

Tax Treatment

It is important to note the difference in the definition, payment process, and tax treatment of each category of funding to ensure the University, Faculties, departments, researchers, and administrators comply with appropriate taxation and reporting requirements.

Categories (i) through (iv) are handled under Paragraph 56 (1) (n) of the Canada Revenue Act (see <http://www.cra-arc.gc.ca/tx/tchncl/ncmtx/fls/s1/f2/s1-f2-c3-eng.html>) and are considered “amounts paid or benefits given to persons to enable them to advance their education”. Students normally receive a T4A slip for income tax purposes associated with income from these categories.

Categories (v) and (vi) are employment salary or wages “for services rendered”. Students

should receive a T4 slip for Income Tax purposes associated with income from these categories.

Students who receive full-time months on the T2202A qualify for the full-time education amount credit and, therefore, are exempt from income tax on scholarship/ bursary/ awards revenue. Students who receive part-time months on the T2202A qualify for the part-time education amount credit and will be limited to the tuition fees and costs incurred for program related materials plus the basic amount of \$500. Students who are not eligible for the part-time or full-time education amount credit may claim only the \$500 basic amount.

Payment of Awards

In general, once a student has been formally registered in courses, tuition charges and award funds will show up in their student account. Refund cheques, less any fees owing are issued in three installments: September, January and May.

(i) StFX Graduate Scholarships: Students must be registered in courses prior to being able to access scholarship funds. They must remain in good academic standing to be able to access future installments.

(ii) External Scholarships and Fellowships

Payment of funds provided from external scholarships may be handled in two ways:

- a. The funding agency/organization may deposit the money with StFX and the University will oversee its disbursement to students. Payments will be posted to the recipient's student account. A refund cheque will be issued (less any fees owing).
- b. The external granting agency may send the money directly to the student, normally in the form of a cheque. Students who receive such an award, must inform the Research Services Group (RSG). The RSG would like to recognize the accomplishment and would also like to know about such funding for statistical purposes.

(iii) Internal 'named' Scholarships or Fellowships

These funds are supplied internally from StFX. The University oversees the disbursement to students. Payments will be posted to the recipient's student account. A refund cheque will be issued (less any fees owing).

(iv) Stipends from thesis supervisors' research grants

Stipends paid from research grants are subject to approval by the Associate Vice President, Research and Graduate Studies. The StFX Finance Office may perform a final verification to release the payment. The funding agency/organization may deposit the money with StFX and the University will oversee its disbursement to students. Payments will be posted to the recipient's student account. A refund cheque will be issued (less any fees owing).

(v) Salary from thesis supervisors' research grants (Research Assistantships)

These funds are paid as a salary for services rendered that are not directly related to the

student thesis research (e.g. data analysis for a supervisor's research project which is not a component of the student's thesis research). The student is normally employed as a casual employee by the supervisor and is paid through StFX Payroll Services. The supervisor is responsible for submitting the appropriate paperwork to Payroll.

(vi) Salary from departmental teaching assistantships (TAs)

Deans are able to allocate money for departments to hire graduate students as teaching assistants, normally in undergraduate laboratories and classes. These funds are administered by the Office of the Associate VP Research and Graduate Studies in consultation with the Dean's Office, and are paid directly to the students through StFX Payroll Services.

Payments from Faculty Research Grants

Student Stipends - category (iv)

A student stipend is money paid to a student (typically at the graduate level) from a faculty member's research grant for the purpose of allowing the student to further his/her own research/thesis or other program or academic requirement. It is not considered employment income.

As noted in the Income Tax Act (IT-75R4),

"this work is undertaken by the student because participation in it will assist the student in qualifying for a degree or other scholastic recognition in the field in which the research is being carried on."

Such work may include research collaboration with the supervisor or others, developing techniques and methodologies, or gaining knowledge of scientific or scholarly ideas or materials – as long as the objective is the student's advancement toward educational goals for the desired degree

As a result, student stipends are treated as a scholarship/ bursary/ award and recipients will be issued a T4A slip for this type of income. Please see categories (i) through to (iii) listed above. To avoid confusion, StFX uses the term "fellowship" when referring to this type of funding.

Conditions:

- 1) *The recipient of a student stipend must be duly registered as a student at StFX and does not hold academic/professorial rank as an additional appointment at StFX.*
- 2) *The primary purpose of the student stipend is to support the student while undertaking responsibilities that directly relate to his or her training and studies as a student.*
- 3) *The faculty member's grant or award must have sufficient funding to support the full stipend for the designated period.*
- 4) *The payment must adhere to the specific granting agency guidelines and comply, where applicable, with the stipend minima or maxima set by some research councils.*

Faculty members select the student(s) to whom they will pay a stipend. Stipend money must be requested in a faculty member's research grant (or other research funding) application. Faculty members should budget for the maximum allowed amount at the time of grant application. In cases where an agency does not specify a minimum or maximum rate for a stipend, it is recommended that faculty consult with their departments/programs in order to review possible pre-established rates, as well as referencing the Federal Council guidelines for their discipline (i.e. CIHR, NSERC, and SSHRC) for additional information.

Research Assistantships – category (v) above

Student stipends are not to be confused with research assistantships. A research assistantship is an employment category and provides a student with payment for work performed. Though the work performed in a research assistantship may provide a student with valuable research, scholarly, or work experience, the activity is not required as part of an academic program or to advance the student's own research/thesis, or progress toward a degree. As these payments are employment income, a 4% vacation indemnity (required by law) will be added to each payment and all payments will be subject to statutory deductions at source. Research assistantships are processed through StFX payroll and the income and deductions are reported on T4.