



May 9, 2025

MEMORANDUM

TO: Human Resources Representatives
Fiscal Administrators
Student Employment Coordinators

FROM: James R Kashiwamura, Director

SUBJECT: Student Employee and Graduate Assistant Summer FICA Tax Exemption Status

Student employees, except graduate assistants as noted below, must be enrolled (at a minimum) in a summer session term on a half time basis (3 credits or more) to maintain and/or qualify for the FICA tax exemption. Student employees who do not qualify for the FICA tax exemption during the summer months must participate in the State of Hawaii Part-time, Temporary and Seasonal/Casual (PTS) Deferred Compensation Program. Departmental personnel are responsible for determining student employees' FICA exemption status and changing FICA codes on applicable payroll documents.

To assist departmental personnel in determining FICA exemption status for these employees during the summer, the UH-Mānoa Student Employment and Cooperative Education office (SECE) has developed a questionnaire (Attachment A) and flowchart (Attachment B).

Changes to the FICA code to an existing student employee record, must be made on-line via the SECE System. Attachment C shows UH Payroll Office guidelines and deadlines for making online changes for pay periods during the summer months.

Any changes to Graduate Assistant FICA codes are made via submission of an ePNF through the PeopleSoft system. Go to <https://www.hawaii.edu/fmo/payroll/> for 2025 Payroll Due Dates. Documents must be submitted by appropriate deadline dates shown. Please note:

- 9-month graduate assistants are not affected and remain exempt from FICA since their compensation is prorated over 12 months.
- 11-month graduate assistants must participate in the PTS Deferred Compensation Program during the summer if they are not enrolled for at least 4 units during any summer session. If the one-month off-duty period is taken during the summer, compensation received during this off-duty period would qualify for FICA tax exemption since no work is performed. If a change in the FICA code is required, prepare and submit a PNF to reflect the proper FICA code. Use action/reason "Data Change / 950" (Change in Record - Other Changes).

Timely FICA code changes in the SECE Student On-line System and PNF document submittal to the UH Payroll Office are critical as an erroneous FICA code results in either an over-assessment or under-assessment of the employee's PTS deferred compensation contribution and Medicare taxes. If this occurs, corrective action must be initiated by the employing department.

In the event of an over-assessment or an under-assessment, departmental administrators will be required to refund or recover the PTS Deferred Compensation amount and the Medicare tax for the student and process adjustments to the State Payroll System via the UH Payroll Office to properly correct the student's payroll records. Fringe benefit corrections for the Medicare tax will also be required for imposed accounts.

- If a student has already left University employment, departmental administrators will be responsible for tracking the student and executing the required corrective actions.
- If Medicare taxes are owed by a student and cannot be recovered, the funding source (imposed accounts) will be responsible for both the 1.45% employee assessment and the 1.45% employer assessment for a total of a 2.90% assessment.

Questions related to the timing of documents should be directed to your campus Student Employment Office or the Graduate Division, as applicable. Questions on Graduate Assistant appointment processing and requests for forms/informational material on the PTS Deferred Compensation plan should be directed to your respective Human Resources Representative. Questions related to payroll processing requirements are to be directed to the UH Payroll Office at payroll@hawaii.edu.

Thank you for your assistance.

Attachments

c: Kalbert Young
Jeffrey Long
Krystyna Aune

Student Assistant FICA Exemption Questionnaire

Name _____ UH ID _____

Please answer the following questions for the next academic term until instructed to stop. Turn in this form to your supervisor.

1. Academic Term: Fall _____ Spring _____ Summer _____

If summer option selected, please indicate which session(s) you will be attending (check all that apply)

Both _____ Neither _____ Summer I _____ Summer II _____

Cross term _____, indicate dates _____ to _____

2. Will you be a non-resident alien attending the University of Hawaii on an F-1, J-1, M-1 or Q-1 visa performing services in accordance with the primary purpose of the visa's issuance?

Yes _____ [stop] ("N") No _____ [Continue]

3. Will you be a classified student in a University of Hawaii degree or officially recognized certificate granting program?

Yes _____ [Continue] No _____ [Stop] ("K")

4. Will you be enrolled for at least a half time course load?

Yes _____ [Stop] ("N") No _____ [Continue]

5. If not, are you graduating?

Yes _____ [Stop] ("N") No _____ [Stop] ("K")

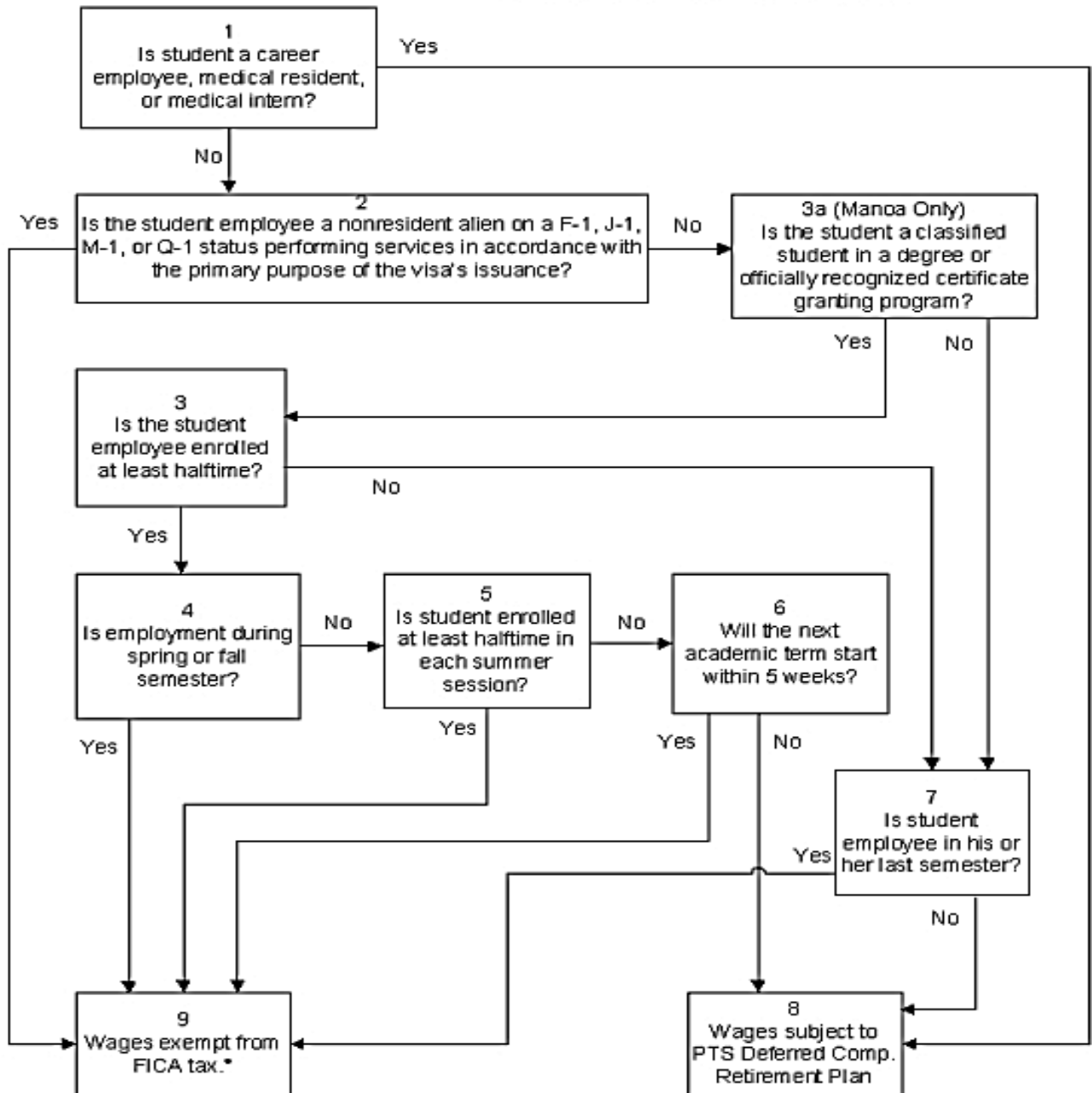
I certify the above answers are correct and that I will notify my supervisor immediately if my status should change in any way.

Student's Signature

Date

FICA Flowchart

FICA Tax Assessment on
Student Assistants / Graduate Assistants



*NOTE: If a student employee qualifies for FICA exemption and his or her academic term falls within a payroll period, the remainder in the payroll period is exempt from FICA tax also

2025 Deadlines for changes in FICA codes through "SECE" or by PNF***For All Campuses***

- BASIS – ½ time attendance (3 credits or more per session for undergraduate students, 4 credits or more over the entire summer for graduate students). When a student is enrolled on at least a ½ time basis, he/she is exempt from FICA and should be coded as "N".
- If there is less than 5 weeks between the end of one session / semester and the start of another session / semester, student assistants may remain on "N" code.
- If a student employee qualifies for FICA exemption and one day of the academic term falls within a payroll period, the remainder of the payroll period is also exempt from FICA tax.
- If students attend a special session, check class dates.
- If FICA code is changed to "K", change back to "N" for any pay period that includes **08/25/25**.

Student Assistants (SECE)

| Condition / Action | PAY PERIOD | | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| To change the FICA code from "N" to "K", or from "K" to "N" for the following pay periods: | 05/16/25 To 05/31/25 | 06/01/25 To 06/15/25 | 06/16/25 To 06/30/25 | 07/01/25 To 07/15/25 | 07/16/25 To 07/31/25 | 08/01/25 To 08/15/25 | 08/16/25 To 08/31/25 |
| Input changes to FICA code in SECE by 4:30 pm on: | 06/03/25 | 06/17/25 | 07/01/25 | 07/18/25 | 08/01/25 | 08/19/25 | 09/03/25 |
| On-Line Timesheet Approvals By 11:59 pm on: | 06/04/25 | 06/18/25 | 07/02/25 | 07/21/25 | 08/04/25 | 08/20/25 | 09/04/25 |
| Pay Date is on: | 06/20/25 | 07/03/25 | 07/18/25 | 08/05/25 | 08/20/25 | 09/05/25 | 09/19/25 |

Graduate Assistants (PNF)

| Condition / Action | PAY PERIOD | | | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| To change the FICA code from "N" to "K", or from "K" to "N" for the following pay periods: | 05/16/25 To 05/31/25 | 06/01/25 To 06/15/25 | 06/16/25 To 06/30/25 | 07/01/25 To 07/15/25 | 07/16/25 To 07/31/25 | 08/01/25 To 08/15/25 | 08/16/25 To 08/31/25 |
| ePNF for Graduate Assistants due to Payroll via PeopleSoft by 11:00am on: | 05/30/25 | 06/13/25 | 06/27/25 | 07/15/25 | 07/30/25 | 08/13/25 | 08/28/25 |
| Pay Date is on: | 06/20/25 | 07/03/25 | 07/18/25 | 08/05/25 | 08/20/25 | 09/05/25 | 09/19/25 |