



## Graduate Tuition Remission Taxation – Important Facts

### January 2020

**1. What is the tuition remission dollar amount that is nontaxable per year?**

Currently, the amount is \$5,250 per calendar year. The value of any graduate tuition above this amount will result in taxes being withheld from your pay check. The IRS requires any graduate tuition amount over \$5,250 be considered taxable wages.

**2. When will any taxes be withheld from my paycheck?**

Taxes will be withheld from your paycheck in the semester in which the tuition is used. There is no option to spread the earnings in months outside of the chart below.

Term	Months of Taxation
Spring	January - May
Summer	June - August
Fall	September - December
Winter	January - May

**3. How is tax calculated on the value of my tuition remission benefit?**

We are required by the IRS and the State of Nebraska be taxed at the Supplemental Rate, which currently is 22% for the Federal Tax, 5% for the State of Nebraska, and 7.65% for FICA Taxes (Social Security and Medicare). **The taxes withheld will lower your net pay during that semester.**

**4. Can I calculate the amount of taxes that will be withheld?**

Yes, to calculate how much will be withheld and lower your net pay, take the amount to be considered as taxable income and multiply by 34.65%.

**5. Will the tuition remission benefit be reported on my pay stub?**

Yes, the tuition remission portion will be reported on your pay stub under the earnings section with the description of Non Cash Graduate Tuition

**6. Is the yearly total taxable tuition remission benefit amount for the calendar year reported on my W-2?**

Yes, the total taxable benefit is noted in Box 14 – Other, with the code 14E.

The taxable amount is also included in boxes 1, 3, 5, 16, and 18 (Wages, Social Security Wages, Medicare Wages, State Wages, and Local Wages).

The taxes withheld are also included in boxes 2, 4, 6, 17, and 19 (Federal Income Tax W/H, Social Security Tax W/H, Medicare Tax W/H, State Income Tax W/H, and Local Tax W/H).

**7. Where can I find out more information on the Tuition Remission policy?**

Our website is kept updated at <https://www.creighton.edu/hr/benefits/tuition/>

**8. Who do I contact for other questions?**

Please contact human resources at [humanresources@creighton.edu](mailto:humanresources@creighton.edu) or 402.280.2709.