

**UNIVERSITY OF TENNESSEE at CHATTANOOGA
OFFICE OF HUMAN RESOURCES AND PAYROLL**

GRADUATE ASSISTANT - TAXABILITY OF TUITION WAIVER

Teaching and research graduate tuition remission is tax exempted by IRS Code Section 117. Graduate assistantships that are not involved in teaching or research were specifically excluded from this exemption thereby making the tuition remission related to these assistantships taxable. However, the tuition remission for these assistantships may be tax exempted under IRS Code Section 132 and Treasury Regulation 162(a) which allows education benefits from employers to be tax exempted for certain courses of study.

The purpose of the Graduate Assistant Tuition Remission Form is to determine the type of graduate assistantship and then determine if the assistantship is taxable or exempted. If the graduate assistantship is teaching or research, it is exempted by definition under IRS Code Section 117. If the graduate assistantship is a service assistantship, then the “Assistantship Duties and Responsibilities” are designed to allow the University to determine if the assistantship is taxable or exempted under Treasury Regulation 162(a) by comparing the duties of the assistantship to the course of study.

It is important that a Graduate Assistant Position Description form be completed for every graduate assistantship position. The contact person on the form should be someone familiar with the job responsibilities of the position number being described.