What is the SERP Evaluation Process?

The evaluation process to determine which students are subject to SERP/Medicare contributions has been modified to follow IRS guidance provided to the University - there are no allowable exceptions to this process. During periods of enrollment, the evaluation process will use enrollment checks at the end of each bi-weekly pay period for hourly student employees and on the 15th of each month for monthly employees (Graduate Assistants). When the 15th of each month falls on a weekend, the monthly evaluation process will run on the Friday preceding the 15th.

- **Monthly Salaried Employees** (Graduate Assistants): Since the majority of Graduate Assistants are appointed in August and January, it is especially important that these students are registered AND their appointments are setup in the HR/Payroll system by the August and January evaluation dates to be part of the SERP evaluation process for that month.

Students not enrolled at least half-time for any period during the bi-weekly or monthly evaluation cycle will have SERP/Medicare assessed against any wages or salary earned during that pay period. However, students who enroll at least half-time for a term during a subsequent pay period will have Medicare/SERP deductions discontinued for work performed during the subsequent term if enrollment extends throughout the entire pay period.

Students with F1 or J1 visas AND with a tax status of non-resident alien are exempt from SERP/Medicare.

How does the IRS require SERP to be assessed?

- **Student Employees paid bi-weekly** - SERP exemption status is determined by verifying credits and continuous enrollment at the **end of each bi-weekly pay period**.

- **Graduate Assistants paid monthly** - SERP exemption status is determined by verifying continuous half-time or greater credits throughout the month on the 15th of each month. When the 15th of a month falls on a weekend the monthly evaluation process will run on the Friday preceding the 15th.

  - **Timing of the Graduate Assistant verification report** - If the employee’s assignment is not in Oracle by the 15th review date, the student will have SERP deducted as there is not an Oracle record to evaluate for SERP exemption. This is very important in August and January as they are high volume months and retroactive exemptions cannot be made.

  **Example**: If a graduate student is enrolled in a short-term class that ends October 22 which causes them to be enrolled for less than 5 credits on October 31, the student will have SERP deducted from the October paycheck.

  - **Subsequent pay periods and increased enrollment credits** - Students who are enrolled at least half-time for a term continuously during a subsequent pay period will have Medicare/SERP deductions **discontinued** for work performed during the subsequent term.