APS 5011 - Student Retirement Plan

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Policy Profile

Policy Title:	Student Retirement Plan
APS Number:	5011
Effective:	June 1, 2008 (Non-substantive edits made June 1, 2013)[1]
Approved by:	President Bruce D. Benson
Responsible University Officer:	Vice President, Employee and Information Services
Responsible Office:	Vice President, Employee and Information Services
Policy Contact:	Employee Services will provide guidance regarding interpretation of this policy
Supersedes:	Januanry 1, 1999
Last Reviewed/Updated:	June 1, 2008
Applies to:	University-wide

Policy Snapshot

Brief Description: Describes policy and procedures for administering the student retirement plan.

Reason for Policy: To provide guidelines for the CU Student Retirement Plan for student employees who are not exempt from participation in a retirement plan as provided by federal and state laws.

I. Introduction

Students employed in certain job classifications at the University of Colorado are exempt from the State Personnel System and its employee classifications by the Colorado Constitution, Section 13(2) of Article XII. Additionally, the University's Qualified Retirement Plan document and Colorado Revised Statutes 24-51-310(1)(a)(I) exempt student employees from participation in the University 401(a) Retirement Plan or the Public Employees Retirement Association (PERA) plan.

For employees in student job classifications at the University of Colorado who do not meet the conditions of exemption for participation in a retirement plan established by the Internal Revenue Code or Treasury Regulation, House Bill 93-1328 (Colorado statute) provides a Student Employee Retirement Plan as an alternative to social security. Representatives from the Colorado Commission of Higher Education and governing boards of higher education institutions in Colorado administer the Plan to ensure it meets minimum federal standards to qualify as a retirement plan. At its meeting of April 15, 1993, the Board of Regents approved the Student Retirement Plan for student employees who are not exempt from participation in a retirement plan. Regental policy11.F.2 forms the basis for this administrative policy statement and for the conditions of participation in the Student Retirement Plan. The policy states: ?Eligible Employees shall be enrolled in a retirement program as provided by applicable state plan or as authorized by the Board of Regents.?

This administrative policy statement addresses social security tax and related withholding issues associated with employees in student job classifications. Specifically, it explains which employees are eligible for the student FICA exception and thus are not subject to the Student Retirement Plan and Medicare tax withholding.

Employees at the University who qualify as students under IRS guidelines are generally exempt from mandatory alternate retirement plan withholding (i.e., the Student Retirement Plan) and Medicare tax withholding. Student employees who work for the University of Colorado may qualify as students under IRS guidelines - and exemption from the Student Retirement Plan - on the basis of their employment at the University of Colorado. However, student employees who are enrolled in high school, trade school, or any schools other than the University of Colorado, are subject to the Student Retirement Plan.

The Chancellors are responsible for implementing and enforcing this policy on their campuses. The campuses are responsible for monitoring employees in student job classifications on the student payroll for compliance with IRS and University guidelines. All employees in student job classifications on the student payroll must be evaluated at the end of the "add/drop" period for each academic term to verify student status during that term. Documentation of the student status evaluation will reside in the hiring department.

II. Policy Statement

Students are employed by units of the University of Colorado to assist with a variety of activities in support of our missions of teaching and research. The University recognizes that all units, which hire students, do so with the commitment to recognize and support that student employees are, in fact, students first. As such, it is incumbent upon all faculty and staff to ensure that student employees are not given excessive workloads or multiple appointments that interfere with or adversely affect a student's academic progress.

III. Procedures, Forms, Guidelines and Other Resources

A. **Procedures**

B. Upon the date of hire of a student and/or as of the end of the "add/drop" period for each academic term, the hiring authority must make a determination regarding enrollment of the student employee(s) in the Student Retirement Plan based on the following conditions:
    1. If a student employee is a full-time employee whose normal weekly work schedule is 40 hours or more, the student employee will be subject to the Student Retirement Plan, regardless of his or her enrollment status.
    2. If the student employee does not normally work 40 or more hours per week and is enrolled in University courses that meet or exceed the credit hours for the appropriate half-time student status per semester/quarter or other equivalent academic term described below, the student employee is exempt from enrollment in the Student Retirement Plan for that semester/quarter or academic term. Determination of student status should be made at the end of the drop/add period for each academic term, or at the end of registration for payroll periods ending before the end of the drop/add period. Student employees, who are enrolled in high school, trade school, or any schools other than the University of Colorado, are subject to the Student Retirement Plan.
        a. Undergraduate half-time status
            1. Six (6) credit hours during the fall semester
            2. Six (6) credit hours during the spring semester
            3. Six (6) credit hours during the summer semester
            4. Appropriate credit hours equivalent to six (6) semester credit hours during each academic term as defined by the school
            5. If the student employee is in the last academic term of a course of study requiring at least two academic terms to complete and is enrolled in the number of credit hours needed to complete the degree requirements, the student will qualify for exemption from the Student Retirement Plan for that academic term, even if the student employee is enrolled in less than the number of hours stated in (1) & (4).
        b. Graduate half-time status
            1. Three (3) credit hours during the fall semester
            2. Three (3) credit hours during the spring semester

        3. Three (3) credit hours during the summer semester
        4. Appropriate credit hours equivalent to three (3) semester credit hours during each academic term as defined by the school
        5. If the student employee is in the last academic term of a course of study requiring at least two academic terms to complete and is enrolled in the number of credit hours needed to complete the degree requirements, the student will qualify for exemption from the Student Retirement Plan for that academic term, even if the student employee is enrolled in less than the number of hours stated in (1) & (4).
        6. Dissertation or thesis - a graduate student who has completed all the academic classes required for the advanced degree, and whose remaining enrollment consists of the dissertation or thesis, will be considered as a graduate student with half-time status for purposes of the Student Retirement Plan.
    3. Student status may be continued during periods of enrollment inactivity if not greater than five weeks, and employment may be pursued or continued in University-defined student employee job classifications. However, these students must be enrolled in the Student Retirement Plan if either of the following conditions exists:
        a. New students with intentions of pursuing a course of study with the institution at the next available scheduled opportunity may pursue employment with the University one academic term prior to enrollment. The student must provide the hiring authority with proof of acceptance by the institution to enroll or have an enrollment confirmation for the next academic term.
        b. Continuing students following prescribed institution schedules for their pursuit of study may seek or continue employment with the University for one academic term. For example, this condition is intended to address those students not enrolled or attending the summer semester but who will continue their study in the fall semester.
    4. Upon graduation or receipt of a professional license or certification, the status of student, as defined, is terminated as of the end of that semester/quarter academic term. Further employment by the hiring authority must be accomplished through regular University employee classifications and hiring procedures.

C. **Educational Resources**

Announced on the Employee Services website and in other campus outreach activities.

IV. Definitions

Italicized terms used in this Administrative Policy Statement are defined in the Administrative Policy Statement Glossary. Underlined terms specific to this policy, which are not found in other Administrative Policy Statements, are defined below.

For the purpose of this administrative policy statement, the following definitions are provided:

1. Career employee: an individual performing services for the University of Colorado who is classified by the University as a career employee; or is eligible to participate in any retirement plan described in Section 401(a) of the Internal Revenue Code (other than the Student Retirement Plan described herein) that is established or maintained by the University, or would be eligible to participate if age and service requirements were met; or is eligible for reduced tuition (other than tuition remission provided pursuant to Section 117(d)(5) of the Internal Revenue Code to a teaching or research assistant who is a graduate student).
2. Full-time employee: A full-time employee is one who is classified as full-time by the University under the University's standards and practices or whose normal weekly work schedule is 40 hours or more. An employee's normal work schedule is not affected by increases in hours worked caused by work demands unforeseen at the start of an academic term. An employee's work schedule during academic breaks is not considered.
3. Graduate or professional student: a student who:
    a. Is enrolled at the University for the purpose of obtaining a degree, certificate, or other recognized educational credential above the baccalaureate level or is enrolled in a program leading to a professional degree;
    b. Has completed the equivalent of at least three years of full-time study at an institution of higher education, either prior to entrance into the program or as part of the program itself; and
    c. Is not a postdoctoral student, postdoctoral fellow, medical resident, or medical intern.
4. Hiring authority: the person(s) or department delegated authority by the campus Chancellor or by the University President for employing a student(s) in University designated student employee job classifications and who is responsible for initiating the necessary information to pay the students(s).
5. Semester/quarter: provides students with a progressive and continuously defined course of study to achieve educational goals. The University provides and operates three consecutive semesters and/or four quarters annually.

    The University defines the duration of each semester/quarter, the periods of student class attendance, study, examination, and intermittent breaks within each semester/quarter.

6. Student: a person enrolled or pursuing enrollment for the purpose of pursuing a course of study by obtaining course credit, a degree, a certificate, and/or a license within set academic standards defined by the institution.

    Course curriculum, as defined by each school or college within the institution, will determine whether the student is required to regularly attend class, pursue study independently, perform internships, and/or complete residency requirements.

7. Student employee: an individual who is not a career employee and performs service for

the University as an incident to and for the purpose of pursuing a course of study. Employment in student employment job classifications as defined by the University is predicated on student status.

8. Student Retirement Plan: a 403(b) Defined Contribution Plan (as described in section 403(b) of the Internal Revenue Code). Contributions to the Plan are 7.5% of the student employee's wages.

V. History

- Initial Policy Effective: May 15, 1994
- Supersedes: Student Retirement Plan policy dated January 1, 1999
- Non-substantive edits were made on June 1, 2013.

VI. Key Words

Student, retirement, tax

1. Non-substantive edits and technical clarifications were made in June 2013.

Attachments:
Video:
Images:
Groups audience:
Office of Policy and Efficiency (OPE)

Source URL: https://www.cu.edu/ope/efficiency-and-effectiveness/presidents-task-force-efficiency/aps-5011-student-retirement-plan