Being Paid by the Stipend Desk
A Resource for UCSF Residents and Clinical Fellows

Being paid by the Stipend Desk rather than Payroll means the University has been awarded funds to support resident and fellow salaries. Residents and fellows supported by grant monies either receive those funds fully from the Stipend Desk directly or through a combination of stipend payments and UCSF payroll payments.

Residents and fellows receiving funds from the Stipend Desk will be paid monthly. However, it is important to understand that taxes are not withheld as they would be if the paycheck was issued by Payroll. In addition, the Stipend Desk does not issue tax documents, but will provide a year-end summary of payments if requested by an individual trainee. Recipients of stipend payments are advised to keep copies of all pay stubs. Pay received from the Stipend Desk is not eligible for any pre-tax deductions, which includes retirement accounts (ie 403(B), 457, or defined contribution plans).

This resource has been provided by the GME Resident and Fellow Affairs Committee and is not meant not be tax advice.

Citizens and Permanent Residents paid by the stipend desk will not have federal or state taxes withheld from their monthly stipend payments. Payments issued are gross figures and IRS forms 1099 or W-2 will not be issued. It is each trainee’s responsibility to review his/her tax situation and, if appropriate, file quarterly tax payments using federal from 1040ES and state form 540ES. For more information on rules pertaining to estimated tax payments, see IRS Publication 505, “Tax Withholding and Estimated Taxes,” which can be found at www.irs.gov

Foreign Citizens from countries which hold a tax treaty with the United States may be exempt from paying federal taxes, but would still be required to pay California state taxes. Information regarding tax treaties may be found at http://www.irs.gov/Individuals/International-Taxpayers/Tax-Treaties The UCSF Accounting Office issues IRS Form 1042-S at the end of the year, indicating total stipend income and taxes due. The Stipend Desk will issue Form 1098T to all non-resident aliens. For more information on non-resident alien taxes and time limitations on tax treaty applications, please refer to IRS publication 519, “US Tax Guide for Aliens, “ which can be found at www.irs.gov

Resources are available to assist residents and clinical fellows receiving stipend payments with questions regarding taxes:
- Internal Revenue Service: For the following publications visit www.irs.gov and type the publication number in the search box in the upper right-hand corner of the home page.
  - Publication 970 --- Tax Benefits for Education (ie tax exempt income, Hope and Lifetime Learning Credits, Coverdell Education Savings Accounts, and student loans)
  - Tax Topic 421 --- Scholarship and Fellowship Grants
  - Publication 505 --- Tax Withholding and Estimated Taxes
  - Publication 519 --- US Tax Guide for Aliens
  - Form 1040ES --- Estimated Tax for Individuals (for quarterly tax payments)
  - Form 1040 --- US Individual Income Tax Return (for annual tax payments)

- California Franchise Tax Board: For form 540ES, which estimates state taxes for quarterly payments visit www.ftb.ca.gov and type the publication or form number in the search box at the top of the home page.


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