

August, 2015

**Clinical Fellowships
Department of Pediatrics**

The Department of Pediatrics at the Yale School of Medicine is one of the nation's premier institutions for Pediatric Subspecialty Training. It provides superb clinical and research training in a nurturing environment that emphasizes an individualized approach to education. Fellows may participate in clinical, translational, or basic science research. They may also pursue scholarly activity in bioethics, education, quality improvement, and public policy. Upon entering the research years, each fellow is provided with a Scholarship Oversight Committee that meets at least twice a year to review research progress. The Yale Pediatric Fellows Conference and the Yale Pediatric Research Forum provide venues for the fellows to present their work. Fellows publish in peer-reviewed journals and present their research at national meetings. The Department conducts this extensive program of research training to foster and develop the research skills and abilities of its fellows.

General Tax Information for Clinical Fellows

Are fellowship payments/stipends received by fellows wages?

No. Payments from fellowship grants are for the purpose of enabling fellows to pursue programs of independent research, training and original study; these payments are not compensation in connection with the performance of services.

Are fellowship payments/stipends received by fellows taxable income?

Yes. The fellowship payments received by Pediatric Clinical Fellows are taxable income. Fellowship payments are taxable unless they are received by individuals who are *candidates for a degree* at an educational institution and used for certain "qualified" expenses (e.g., tuition). Pediatric Clinical Fellows do not meet these conditions. Fellows are responsible for making federal and state quarterly estimated tax payments. For more information, consult IRS Publication 970 and the University Tax Department's website at <http://tax.yale.edu/2014-federal-and-state-ct-tax-treatment-certain-payments-made-yale-university>

Are fellowship payments subject to FICA tax or self-employment tax?

No. Since fellowship payments are not wages, they are not subject to FICA. The IRS has also taken the position that fellowship grants are not subject to the tax on self-employment income. See Revenue Ruling 60-378, 1960-2 C.B. 38.

Are fellowship payments reported to the IRS?

Yes. The University reports these payments on Form 1099-MISC to the IRS and to the fellow.