22. Defined Contribution Program (DCP), Medicare, and Unemployment Insurance

The following is a brief explanation. For additional information, contact:
  Graduate Division, (858) 534-6562 (general information about DCP rules), or on the web:  http://grad.ucsd.edu/financial/employment/student-fica-dcp.html

For current balances in the DCP program, contact Fidelity Retirement Services at:
  1-(866)-682-7787 or https://netbenefits.fidelity.com/.

Note: The requirements listed below do not apply to students receiving fellowship stipends or the salaried checks of international students (F-1 and J-1 visas) who are non-resident aliens.

Academic Year (September – June): Under IRS guidelines, a student employee (non-career) who is a U.S. citizen, permanent resident or resident alien must be registered a minimum of half-time (six units at UCSD) and be employed less than 80% for at least one day of the month to remain exempt from DCP/Medicare deductions. During the academic year, a graduate student who has advanced to Ph.D. candidacy is not subject to the unit requirement.*

*NOTE: The IRS requirements for FICA exemption should not be confused with UCSD graduate student support guidelines requiring full-time registration (minimum of 12 units) for funding on fellowships, traineeships, scholarships and academic appointments greater than 25% time or the UCSD rules that limit employment to 50% (unless an exception has been approved by the Dean of the Graduate Division).

Summer Months (July and August): Most graduate students are subject to deductions during July and August. For these months, a graduate student must be registered in Summer Session for at least one day of the pay period and be employed less than 80% time to remain exempt. The minimum unit requirement is six units if registered in a ten-week summer session and three units if registered in a five-week summer session.

A graduate student who does not meet the above criteria will have 8.95% taxes withheld from the entire paycheck. The 8.95% consists of 7.5% into the Defined Contribution Plan (DCP) and 1.45% for Medicare.
STUDENT EMPLOYEE DCP SAFE HARBOR/MEDICARE ERROR CORRECTION FORM

INSTRUCTIONS: Departmental staff should complete this form to correct an error in a student employee’s DCP/Medicare deduction due to an administrative or ISIS/PPS interface error. It is essential that departments ensure the accuracy of the percentage on the appointment line in PPS. Retroactive corrections for inaccurate appointment percentages will not be done.

A student’s salary earnings are subject to DCP/Medicare if student is registered in less than 6 units or employed 80% or more. Interfaces occur at the third and fifth weeks of each academic quarter and during periods of summer session.

Undergraduate student: Send form to ES (Employment Services), Mail code 0335
Graduate student: Send form to Graduate Division, Mail Code 0003

Student Name: ___________________________ Employee ID: ____________
Department Name: ___________________________ Department Ext: ____________

☐ UNDERGRADUATE
☐ GRADUATE

Please indicate the required action:

1. ☐ DCP/Medicare should be refunded.
2. ☐ DCP/Medicare should be withheld.
3. Date(s) of affected paychecks: ___________________________________________

Explanation (required): ______________________________________________________

____________________________________________________________________________

____________________________________________________________________________

Department Signature ___________________________ Date

Student Signature ___________________________ Date

Employment Services or Graduate Division Signature ___________________________ Date

Payroll Signature ___________________________ Date

07/15 GRAD/DCPERRORFORM