



**This document is produced for informational purposes only and should not be considered tax, financial or legal advice. APHL staff are unable to provide personal tax advice. If you have additional questions, please consult a tax advisor.**

## **DIFFERENCES BETWEEN A SALARY AND A STIPEND**

<b>COMPARISON TOPICS</b>	<b>SALARY</b>	<b>STIPEND</b>
Definition	Compensation given for the services provided by the employee to the organization	Stipend is the amount paid to the individual to cover the cost of living
Paid To	Employees	Fellows or Interns
Relationship Between Parties	An employer-employee relationship exists	A student-mentor relationship exists
Federal/State Payroll Taxes Withholding	Yes, taxes are withheld by employer and filed by employer for employee	No taxes are withheld by employer (recipient must withhold their own)
Taxability	Taxable	May or may not be taxable

## **TOTAL STIPEND INCOME**

The total stipend income you receive from APHL during the calendar year (January 1 to December 31) will be provided to you in a stipend letter from APHL. These letters are to aid you when preparing your tax returns, such as Form 1040, U.S. Individual Income Tax Return. You are not required to submit the stipend letter to the IRS.

The total stipend income amount listed in the stipend letter is a combination of all finances paid to you during the calendar year which includes your stipend, any supplementary support funds, any conference travel stipends, and any disbursements for professional development opportunities. It will be your responsibility, and your tax advisor, to determine if the total stipend income may be considered taxable income.

The APHL stipend letter will be distributed to your email on or before **COB January 31**, or the next business day if January 31 falls on a weekend. The stipend letter will be distributed to you via the email provided for notifications in ADP (APHL's payroll system).

Additional Federal income tax information, including estimated tax payments, forms and publications can be found and downloaded from the IRS website at <http://www.irs.gov>.