

Student Worker Payments

As of April 1, 2019, the following student worker payments should be paid through **UH Payroll** rather than through Accounts Payable:

- **Student Leadership Service**
- **Mentor Service**
- **Ambassador Service**
- **Campus Assistant Service**
- **Camp Instructor Service**
- **Coaching-Service Camp**
- **Instructing Service**
- **Student Publication Services**
- **Gator Crew Members, and Lab Assistant Service**

This new payment procedure is in result of a recent IRS audit, the IRS assessed penalties against the University for certain payments to UH student workers who incorrectly received IRS Forms 1099 as compensation for contract labor. The IRS determined that there was an employer/employee relationship between the student workers and the University because the University had the right to control and direct the work that had to be performed by the student workers as well as how the work had to be completed; and the University had the right to discharge the student workers. Some other factors that were considered by the IRS, included but were not limited to, the fact that the students were using the University's premises, office supplies, and equipment to perform their duties; the students had the right to unilaterally terminate their work without liability; and the students' work hours were regulated and dictated by the University. Consequently, based on the above facts and circumstances, the IRS determined that an employer/employee relationship did exist, and a Form W-2 should have been filed for the student workers instead of a Form 1099.

A committee of UH personnel representing Payroll, Human Resources, Tax, Accounts Payable, and General Counsel has agreed upon a corrective measure for the above. Consistent, with the guidelines used for determining the employment relationship for all other employees, all student worker job classifications will be determined in accordance with UH policies provided in **SAM 02.A.24** and **MAPP 02.03.02**.