Compensating Graduate Students

Graduate student funding support packages can be comprised of funds from a variety of sources and can differ from student to student. Funding sources include scholarships, graduate fellowships, and part-time employment such as graduate teaching assistantships.

It is important to recognize such payments are either "financial aid and awards" or "work for pay" as the tax treatment and required deductions differ greatly. The processing route is not a choice but is to be determined based on the strict definition surrounding the payment circumstances.

The two tables below outline scholarship/graduate fellowship funding and "work for pay" part-time employment funding - the two general methods of funding graduate student funding support packages.

Funding for Graduate Student Education: Scholarship/Faculty Research Award

Lakehead University faculty, staff, students, and outside funding agencies use a wide variety of terms when describing funding given to graduate students to pursue their education. i.e., award, scholarship, fellowship, grant, studentship, stipend, etc. These payments are need-based or merit-based. This category of payment will be paid out through the Colleague Student awards system to the student account. While each term may have meaning to the person or agency using it, the Office of Graduate Studies (OGS) has created two broad definitions of graduate student funding support.

1. **Scholarship**: Lakehead uses the term **scholarship** when the funds for come from an agency and/or university funds.
2. **Faculty Research Award**: Lakehead University uses the term **faculty research award** when the funds come from a research grant.

Funding Type	Funding Source	System Paid Through	Lakehead Definition	Canada Revenue Agency (CRA) Tax Treatment
Scholarship	Agency, University Funds	OGS, nominated by graduate program	Lakehead uses the Canada Revenue Agency (CRA) definition: "Scholarships are amounts paid or benefits given to students to enable them to pursue their education. Scholarships usually apply to education at a post-secondary level or beyond, such as at a university, college, technical institute or other educational institution. Scholarships normally assist the student in proceeding towards a degree, diploma, or other certificate of graduation." CRA Definition	T4A slip is issued for these funds; because these funds are classified as a scholarship related to the student's registration in a qualifying graduate program, the income may be fully tax exempt: Income Act s. 56(3)(a).
Faculty Research Award	Research Grant	OGS, nominated by	To provide financial support to enable students to	T4A slip is issued for these funds; because these funds are classified as a fellowship

		graduate program	participate full-time in a graduate program as per the OGS minimum funding guarantee or per the Program/Department/Faculty funding package requirements. It is a position funded by a supervisor's research grant where the student conducts research that is aligned with the supervisor's research program, often leading to jointly authored research publications. It is used to assist the student's training to become an independent researcher and to complete research related to their own thesis or own academic pursuits (still does contribute to the professor's overall research) and tasks will include those necessary to learn to become an independent researcher. This	related to the student's registration in a qualifying graduate program, the income may be fully tax exempt: Income Act s. 56(3)(a). The income is not insurable for purposes of making benefit claims under employment insurance and is not pensionable under the Canada Pension Plan. Income will not impact students' RRSP deduction limit.

			is a non-employment relationship. CRA Definition	

Funding for Graduate Student Education: Related Employment

This employment is directly linked to graduate student funding support packages. Employment is one of the ways programs fund their graduate students.

Employment Type	Funding Source	System Paid Through	Lakehead Definition	Canada Revenue Agency (CRA) Tax Treatment
Graduate Assistant	University Funds	HR Payroll system, Funding Recommendation form.	Graduate Assistant/Research Assistant I/II/III – defined under the CUPE agreement for roles such as demonstrating, tutoring, marking, research & teaching assistantship.	T4 - Employment
Graduate Student Research Assistant (GSA)	Research Grant or contract	HR Payroll system, Request to Hire form, Employment Information form submitted to Human Resources;	The role of a Graduate Student Assistant (GSA) is to provide research duties assigned to a graduate student engaged in research performed for a member of faculty not directly related to the student's own research.	T4 - Employment

			The research oriented projects contribute to the student's academic and professional development. Must be a part-time or full-time registered Lakehead graduate student. CRA Definition	