

Fellowship vs. Prizes Reporting and Tax Withholding Requirements

Fellowship/ Grants 6460 – Students/6455 - Nonstudents Support payments (e.g., plane tickets, health insurance, or other travel expenses) paid to or on behalf of an individual to aid in their own personal research or scholarship.		Prize/ Awards 6462 – Students/8693 - Nonstudents Payments issued in recognition of a past accomplishments or achievements, such as those awarded for earning the highest GPA or winning a business plan competition.	
US Tax Residents	Nonresident Aliens	US Tax Residents	Nonresident Aliens
<ul style="list-style-type: none"> • Harvard is not required to report these payments to the IRS or to the recipient • No withholding is required at time of payment, but tax payments due at filing could be required • Recipient must self-report as gross income for any non-qualified fellowship received 	<ul style="list-style-type: none"> • Harvard is required to report payments to the IRS. The recipient will receive a Form 1042-S indicating “fellowship/ scholarship” for non-qualified payments • Withholding is required (at 14% or 30% depending on visa type) but can be reduced by tax treaties if determined eligible beforehand 	<ul style="list-style-type: none"> • Harvard must report to the IRS and issue prize recipients a Form 1099 if the recipient receives \$600 or more in prize money during a calendar year • 1099 MISC Box 3 	<ul style="list-style-type: none"> • Harvard is required to report these payments to the IRS and to the recipient on Form 1042-S as “other income” • 30% Withholding is required. Not eligible for tax treaty exemption