**NOTIFICATION TO FELLOWS RECEIVING NIH CHILD CARE GRANTS**

IMPORTANT TAX CONSIDERATIONS

Sample Recipient Date: XX/XX/20XX

123 Main Street Citizenship: US

Baltimore, MD 21211 Visa:

University records indicate that you are receiving NIH Child Care Grants. These grants constitute taxable fellowship payments. Fellowships are educational grants paid to individuals in the pursuit of study or research. Fellowship payments are not compensation for services.

These NIH Child Care Grants are processed via Concur and not via Payroll and therefore will not be included in the fellowship amounts reported on your pay stub. When calculating your total fellowship payments received by the University during a period, you will need to add these NIH Child Care grants to the amounts reported in your pay stub.

Please also note the following:

1. For U.S. citizens, fellowship payments are not reported to you on IRS Forms W-2 or 1099.
2. Fellowship payments ARE NOT subject to FICA taxes (Social Security and Medicare taxes)
3. Generally, fellowship payments ARE NOT subject to TAX WITHHOLDING for federal or state income tax. The University cannot withhold taxes. HOWEVER, fellowship payments ARE TAXABLE INCOME. The payments should be considered in preparing your income tax return, see IRS Publication 970 entitled Tax Benefits for Education.
4. It is your responsibility to make any required ESTIMATED FEDERAL AND STATE INCOME TAX PAYMENTS QUARTERLY (1st quarter due April 15th, 2nd due June 15th, 3rd due September 15th and 4th due January 15th).

To obtain Form 1040-ES for estimated Federal income tax payments go to [www.irs.gov](http://www.irs.gov). If you are living in Maryland while receiving your fellowship, go to www.marylandtaxes.com and look for Maryland form PV. If you are living in another state, contact that state's tax office or website to obtain its forms and information.

If you have questions, please call the University Tax Office at 443-997-8688 or email tax@jhu.edu.