



**Overview**

This document provides a comparative overview of the distinctions between stipends and salaries, outlining differences in university relationships, selection processes, and the scope of work. It further details administrative specifics such as disbursement methods, tax conditions, and eligibility for fringe benefits.

**Important**

Stipends on Fellowships are tax-free if the following conditions are met:

- You're a candidate for a degree at an educational institution that maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where it carries on its educational activities; and
- The amounts you receive are used to pay for tuition and fees required for enrollment or attendance at the educational institution, or for fees, books, supplies, and equipment required for courses at the educational institution.

Category	Stipend	Salary
Relationship with University	None (Trainee-Mentor Relationship).	Employer-Employee Relationship.
Grant or Contract Support	None unless the purpose of the award is to provide fellowship or scholarship.	Can be paid from grant and contract funds, and other internal funding sources.
Selection	Selection based upon University policies that determine student's financial need or merit through competition.	Selection by the individual Principal Investigator or based on competency, skills, knowledge, and ability and coordinated with Human Resources.
Patent Agreement	None.	Signed agreement.
Scope of Work	None assigned.	Assigned.
Compensation	Financial assistance or support paid to university students; no work assigned.	Compensation for performance of assigned work.
Compensation Amount	Based upon reasonable need or stipend limits set by the sponsor of the training or fellowship grant.	Restricted by University salary/ negotiated contracts.



Category	Stipend	Salary
Compensation Frequency	Pay at the beginning of the quarter. No obligation to perform any assigned tasks or specific projects.	Pay based upon hours or percentage of time worked performing assigned job specific duties.
Compensation Disbursement	<ul style="list-style-type: none"> <li>• By the Graduate School.</li> <li>• When supported by extramural awards made to Rutgers, administered jointly by Research and Sponsored Programs, Research Financial Services &amp; the responsible school /department.</li> </ul>	<ul style="list-style-type: none"> <li>• Salary/wages disbursed by Payroll.</li> <li>• When supported by extramural awards made to Rutgers, requires additional coordination with Research and Sponsored Programs and Research Financial Services.</li> </ul>
Worker's Compensation	None.	Covered.
Fringe Benefits or Remissions	None.	Applicability as appropriate based on employee eligibility