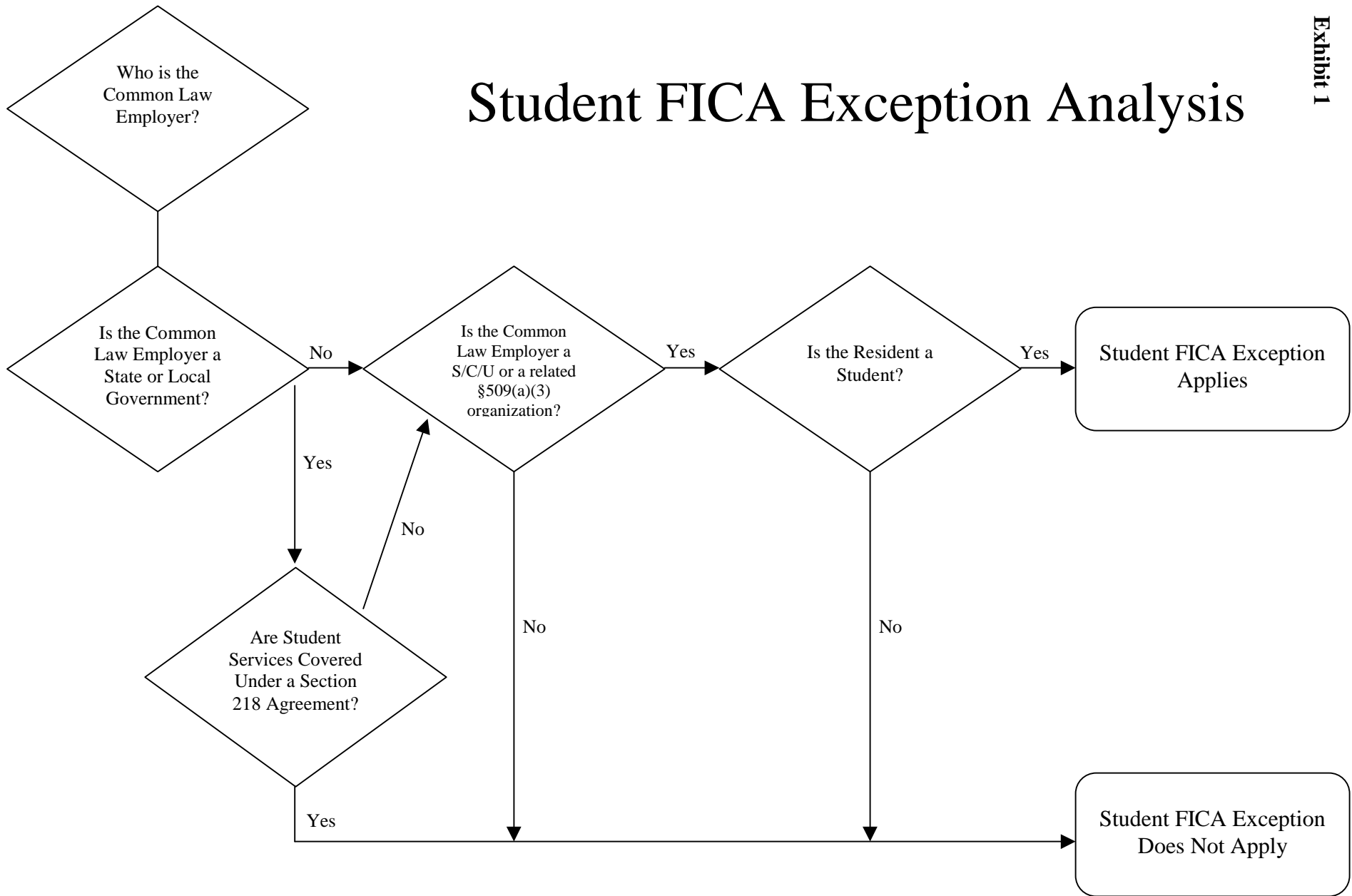
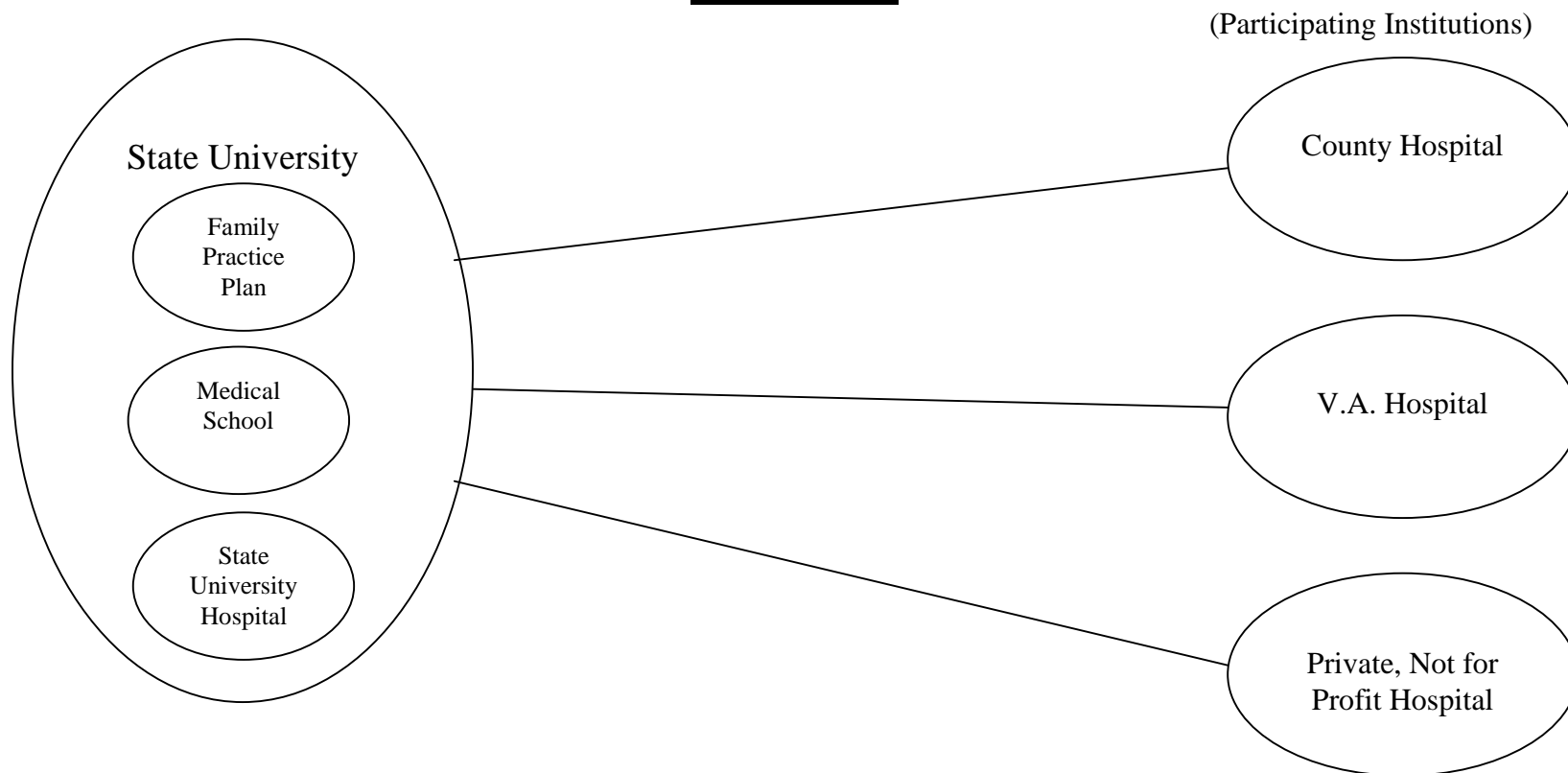


Student FICA Exception Analysis



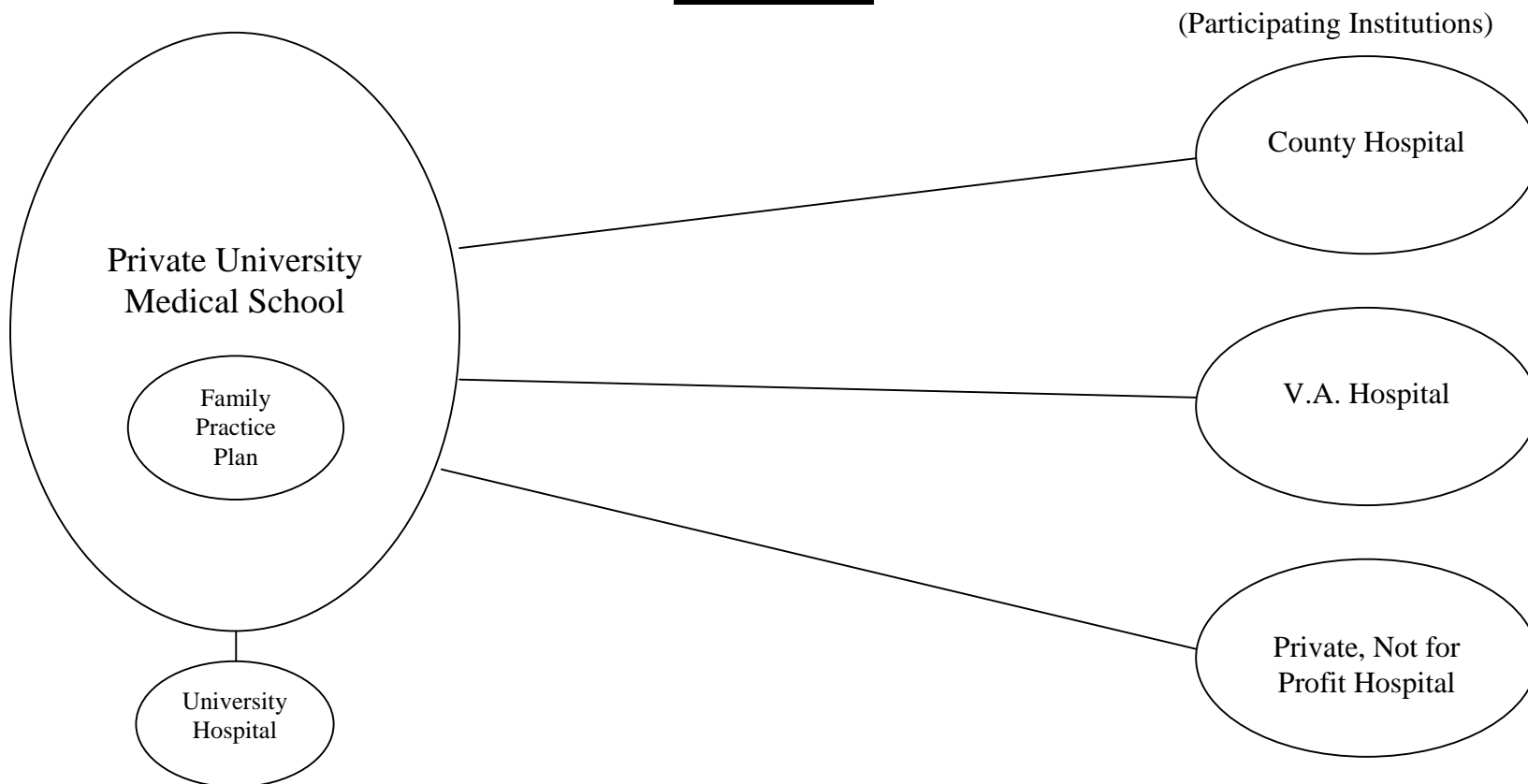
Model A



General Characteristics of Model:

- State University Medical School is Sponsoring Institution.
- State University employees are covered under the State's section 218 agreement, but the State has chosen to exclude student services.
- Residents perform rotations at State University Hospital and Participating Teaching Hospitals.
- State University Hospital is part of the same legal entity as the University or the University Medical School.
- Residents are supervised by attending physicians who are "faculty" members of State University Medical School.
- State University has been paying the residents and treating them as employees for employment tax purposes.

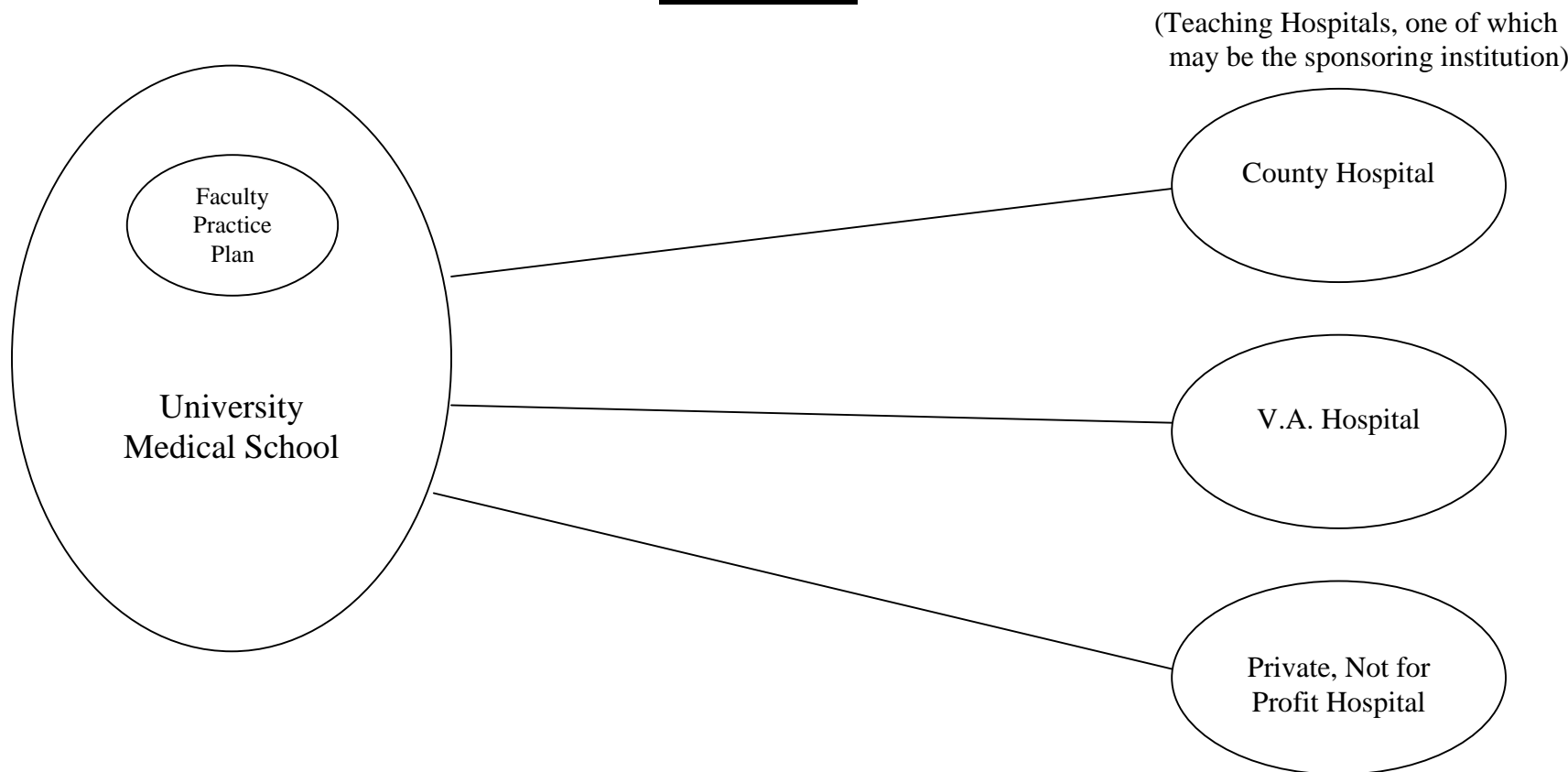
Model B



General Characteristics of Model:

- Private University Medical School is Sponsoring Institution.
- Residents perform rotations at University Hospital and Participating Teaching Hospitals.
- University Hospital is a separate legal entity which may be owned or controlled by the Private University.
- Participating Teaching Hospitals have entered into “affiliation agreements” with the University Medical School.
- Residents are supervised by attending physicians who are “faculty” members of University Medical School.
- University has been paying the residents and treating them as employees for employment tax purposes.

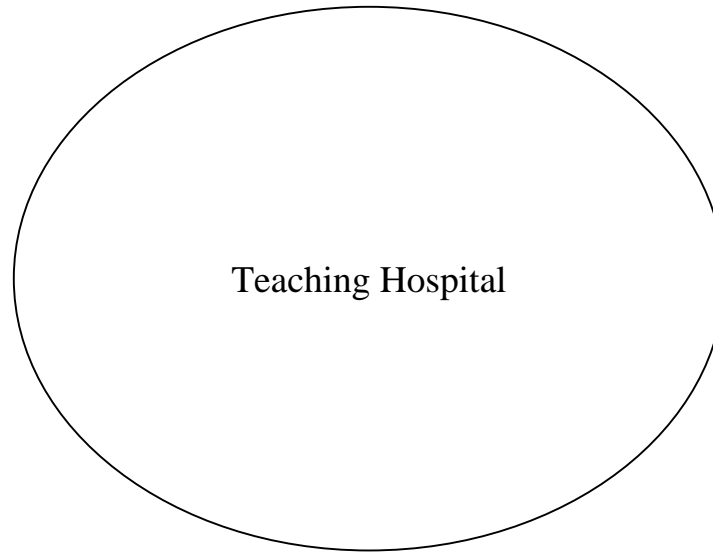
Model C



General Characteristics of Model:

- Either a Teaching Hospital or the University Medical School is the sponsoring institution.
- The teaching hospitals are independent of the University Medical School except for an “affiliation agreement” with respect to the GME program.
- A University Hospital may or may not be part of the overall structure.
- Residents perform rotations at Teaching Hospitals.
- Residents are supervised by attending physicians who are “faculty” members of University Medical School.
- Affiliated Teaching Hospitals pay the residents and treat them as employees for employment tax purposes.

Model D



General Characteristics of Model:

- Teaching Hospital has no affiliation with a medical school.
- Residents perform services at Teaching Hospitals.
- Residents are supervised by attending physicians who are on the staff of Teaching Hospital.
- Teaching Hospitals pays the residents and treats them as employees for employment tax purposes

