



## **PROVISION OF THE SECURE ACT**

### **Taxable Non-Tuition Fellowship and Stipend Payments**

Before 2020, stipends and non-tuition fellowship payments received by graduate and postdoctoral students were not treated as compensation (or “earned income”) for IRA contribution purposes, and so could not be used as the basis for making IRA contributions. Starting in 2020, the new rules remove that obstacle by permitting taxable non-tuition fellowship and stipend payments to be treated as compensation for IRA contribution purposes. This change will enable these students to begin saving for retirement without delay.