



MASSACHUSETTS INSTITUTE OF TECHNOLOGY
GRADUATE STUDENT COUNCIL

Statement on the Graduate Student Retirement Savings

The MIT Graduate Student Council (GSC) represents the 6,900 graduate students of the Massachusetts Institute of Technology (MIT). We support policies that ensure that tax benefits are fairly applied to graduate students given their unique financial situation, including in cases where graduate students receive their stipend from a fellowship or other income stream that is not considered taxable compensation.¹

For these students, because their stipend is not considered taxable compensation, they cannot put any of that money into tax advantaged IRAs to start saving for retirement. This puts these students at a financial disadvantage, denying them the option to effectively save for retirement early, when doing so matters most. Other than the source of their stipend, there are no other differences between students on a fellowship compared to students on a teaching or research assistantship; they continue to take classes and perform the same research roles that all graduate students do.

We encourage Congress to change the law to allow graduate students to save their salaries in IRA or any other form of savings account, regardless of whether that salary is paid as a research stipend or not. Therefore, **we strongly support H.R.1194² and S.448,³ the Graduate Student Savings Act of 2019, and Section 107 of H.R.1007⁴ and S.972,⁵ the Retirement Enhancement and Savings Act of 2019.** All contain language that would make any amount paid to graduate students to aid in the pursuit of graduate study “taxable compensation”, thereby allowing all graduate students to save for retirement via a tax advantaged IRA. We strongly urge Congress to either pass H.R.1194 or S.448 as standalone bills or H.R.1007 or S.972 with the language in Section 107 intact.

Prepared by the External Affairs Board on behalf of the MIT Graduate Student Council. August 2019.

¹ Policy Platform of the Graduate Student Council, HIGHER EDUCATION FUNDING, 35.
<http://gsc.mit.edu/wp-content/uploads/2019/02/GSC-Policy-Platform-02-06-2019.pdf>

² Graduate Student Savings Act of 2019, H.R. 1994, 116th Congress. (2019).
<https://www.congress.gov/bill/116th-congress/house-bill/1194/text>

³ Graduate Student Savings Act of 2019, S. 448, 116th Congress. (2019). <https://www.congress.gov/bill/116th-congress/senate-bill/448/text>

⁴ Retirement Enhancement and Savings Act, H.R. 1007, 116th Congress. (2019).
<https://www.congress.gov/bill/116th-congress/house-bill/1007/text>

⁵ Retirement Enhancement and Savings Act, S. 972, 116th Congress. (2019).
<https://www.congress.gov/bill/116th-congress/senate-bill/972/text>