

## Information for Scholarship Recipients

Scholarships are designed to reward, encourage and assist especially gifted and committed students and doctoral students. Funds provided by donors will enable recipients to devote their full time to their scholarly work without any constraints or restrictions.

Scholarships are awarded, implemented and disbursed by the Technical University of Munich (TUM) in compliance with TUM's scholarship policy *Richtlinien der TUM zur Vergabe von Graduiertenstipendien aus Spenden oder sonstigen Drittmitteln* of 1 February 2008, as amended 10 September 2015 (Scholarship Guidelines). This information sheet specifies and complements these Guidelines and provides answers to frequently asked questions concerning the award of scholarships.

### 1. Scope of Application, Award of Scholarships

Scholarships awarded by TUM are funded through earmarked donations, third-party funds, financial awards or other suitable funds that the university or a professorship or scholarship holder has raised. Scholarships may not be directly funded from the TUM budget.

Scholarships are to be awarded on fair and equal competitive terms, i.e. no favoritism should be shown to certain students or doctoral candidates. There is no legal entitlement to be awarded a specific scholarship.

### 2. Amount and Term of Scholarships, Obligations of Recipients

#### 2.1. Amount

Scholarships will be limited to the amount required by recipients to conduct their research tasks and cover their subsistence. A scholarship is not intended as and must not be considered a regular income.

#### 2.2. Term

The term of the scholarship will depend on the content and goals of the scholarly work for which it is awarded; in any case, the term should, as a rule, be no less than twelve months. The scholarship may be extended by periods of one year each, for no longer than a total of three years. In exceptional cases, particularly in the event of interruption according to § 8 of the Scholarship Guidelines, the limit of extension is four years. To request an extension, recipients must submit a written application in good time, together with a current report of progress to the donors and, if necessary, a recommendation from their academic supervisor.

#### 2.3. Duty to Report and Inform

Recipients must comply with the duties to report and inform as set out in § 5 and § 6 of the Scholarship Guidelines.

### 3. Employment during the Scholarship Period

Generally, scholarship funds are exempt from social security contributions and, subject to the conditions of § 3(44) of the German Income Tax Act (*EStG*), are also exempt from income tax. However, this does not apply if the scholarship provider is TUM (i.e. not an external institution) and a simultaneous employment relationship at TUM is directly related to the receipt of the scholarship, i.e. em-

ployment and scholarship activities cannot be distinguished from one another. In this case, the scholarship would also be subject to social security and income tax due to the principle of unitary assessment in connection with concurrent employment. More information on the taxation of scholarships may be found in section 6 of this information sheet.

As a rule, employment with a third party (i.e. not at TUM) during the scholarship period is acceptable. In such cases, receipt of the scholarship cannot result in a non-disclosed employment relationship at TUM, so that no examination of separability is required.

Where recipients are **employed by TUM**, they must ensure that their activities in connection with the scholarship are separate from the employment with TUM in terms of time, place and subject matter. If recipients fail to comply with this requirement and this becomes apparent in an audit, substantial tax and social security contributions may be claimed in arrears by the relevant authorities, which will have to be covered by the organizational unit, e.g. the Chair, at which the recipient is employed.

We strongly recommend that recipients of a TUM scholarship maintain a clear separation of their activities under the scholarship and activities related to employment at TUM.

Teaching activities in the form of a lectureship that is not employment but limited-term contractual relationship under public law are admissible in conjunction with a scholarship (no more than nine weekly hours per semester as specified in 2.1.3 Sentence 2 of the regulations on teaching assignments and remuneration for state universities (*Lehrauftrags- und Lehrvergütungsvorschriften für die staatlichen Hochschulen*)).

In accordance with § 7 of the Scholarship Guidelines, employment activities during the scholarship period must not exceed five hours per week, for academic activities no more than ten hours per week. In any case, recipients must inform TUM if they take up employment during the scholarship period.

Any income from permissible employment will not affect the amount of the scholarship funds.

**Please note:** TUM does not verify the existence of or compliance with the requirements of the relevant scholarship guidelines. This is the responsibility of the scholarship holder.

#### **4. Recommended Insurance**

Because recipients do not hold an employment relationship with TUM, we recommend, in accordance with § 3(2) sentence 2 of the Scholarship Guidelines, that they take out insurance to cover the following relevant risks:

##### **4.1. Liability Insurance/Laboratory Liability Insurance**

As a rule, recipients will be liable for any damage caused, in accordance with statutory regulations. For this reason, we recommend a personal liability insurance to cover associated financial risks. Please advise the insurer that any activities undertaken within the scope of the dissertation are considered private and not work-related activities.

If scholarship activities include laboratory work, recipients must clarify whether these are covered by personal liability insurance or if they require specific coverage under an additional laboratory liability insurance.

##### **4.2. Health Insurance**

Scholarships do not encompass health insurance coverage. Recipients are, thus, responsible for taking out their own (statutory or private) health insurance unless they have health insurance coverage through their employment.

##### **4.3. Accident Insurance/Occupational Disability Insurance**

The status of scholarship recipient alone does not entitle recipients to statutory accident insurance coverage. To be covered by the statutory accident insurance, recipients must be enrolled and pursue activities at the university toward their continued qualification. These activities must be directly related to the student's course of study and lie within the organizational responsibility of TUM, and a substantial direct temporal and spatial connection with TUM and its institutions must exist (e.g. attendance at lectures, use of university libraries, attendance at seminars and institutes for purposes

of study, and/or participation in excursions; not, however, study or work at home or in the private sphere).

Work on theses and dissertations is covered by the statutory accident insurance if the theses and dissertations are prepared within the sphere of the university's organizational responsibility and if there is a substantial direct temporal and spatial connection with TUM and its institutions. No insurance coverage exists for activities in the home or private sphere. If the thesis or dissertation is prepared at a company, insurance coverage will directly involved in the company's operations, including an employment contract and a salary. Please refer to § 2(2) and § 9 of the Scholarship Guidelines. There will be no accident insurance where recipients prepare their theses or dissertations independently without an employment contract and no obligatory work-times.

In the event that no statutory accident insurance coverage exists for the above reasons, we recommend recipients take out private accident insurance, unless accidents are covered in their health insurance. In addition, it may be necessary to take out disability or unemployment insurance, if the private accident insurance does not encompass disability or unemployment; this may not be necessary if recipients have the required insurance coverage through their employment.

### **5. Taxation**

Scholarships are not subject to income tax where the requirements of § 3(44) of the German Income Tax Act (*EStG*) have been fulfilled. Whether these requirements have been fulfilled in an individual case will be decided by the tax authorities responsible for the recipient's place of residence. In any case, TUM will be required to inform the relevant tax authorities of scholarship payments in accordance with the regulations of the *Verordnung über Mitteilungen an die Finanzbehörden durch andere Behörden und öffentliche Rundfunkanstalten (Mitteilungsverordnung)*.

### **Contact:**

For general legal inquiries, please contact the staff of the TUM Legal Office/Referat 53 – General Legal Matters.

For human resources issues, please contact the staff of ZA 2 responsible for your administrative unit or the Academic Programs Office of your School or Department.