



UMEÅ UNIVERSITY

RULE – SCHOLARSHIPS

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¹ This document has been translated from Swedish into English. If the English version differs from the original, the Swedish version takes precedence.



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1. Description

This rule regulates scholarships instituted and disbursed by Umeå University.

2. Background

Umeå University can institute scholarships for education, postdoctoral qualifications and travel. Educational scholarships may only be instituted for students admitted to studies at the first-cycle, second-cycle or third-cycle level.

The purpose of this rule is to ensure Umeå University uses scholarships in a consistent and correct way.

The rule is also intended to increase internal supervision of the way scholarships are instituted and used at Umeå University, for tax and labour law reasons. It must also:

- contribute to scholarship holders receiving relevant information about the conditions of their scholarship and any other terms of scholarship funding
- clarify the responsibilities of managers when welcoming scholarship holders, and
- ensure that the terms and conditions for scholarships are respected and properly communicated.

3. Delimitations

3.1. External scholarships

This rule does not apply to external scholarships, i.e. cases in which an institution or equivalent accepts a scholarship holder whose scholarship is directly funded by an external funding body that decides itself how to regulate its scholarship.

Information and recommendations regarding external scholarships can be found on the staff website.

3.2. Exchange/mobility scholarships

This rule does not apply to exchange/mobility scholarships such as Erasmus scholarships. Scholarships for exchange/mobility programmes are instead regulated according to the routines of each study programme.

3.3. Scholarships for tuition fees

This rule does not apply to scholarships for tuition fee-paying students' studies at the first- or second-cycle level.



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4. Taxation rules and Umeå University's application of them

4.1. The Income Tax Act and Swedish Tax Agency's regulations

The Income Tax Act (1999:1229) and legal regulations of the Swedish Tax Agency indicate that a scholarship is tax exempt if:

- it is intended for the recipient's education
- the recipient receives the scholarship for reasons other than their education (scholarship for postdoctoral qualifications or travel) and
 - disbursements are not made periodically, i.e. over a period of three years or longer² or monthly over a period of one year or longer, and
 - it does not constitute compensation for work carried out for the disburser.

In this document, "education" refers to first-cycle (usually Bachelor's), second-cycle (usually Master's) and third-cycle (doctoral) level courses and study programmes.

The tax exemption of scholarships for postdoctoral qualifications may be assessed according to the Swedish Tax Agency's regulations for scholarships for other purposes. Special attention must be paid when instituting scholarships for postdoctoral qualifications, as it can be difficult to distinguish postdoctoral qualifications from services provided.

The Income Tax Act (1999:1229) stipulates that a scholarship is tax exempt if no services are required in return from the scholarship holder, as they receive the scholarship for their own education or to obtain qualifications. If the Swedish Tax Agency considers the relationship to resemble one between an employer and employee, this could have labour law consequences. If an assessment of employment is made retrospectively, the employment is deemed valid for an indefinite period, since the parties did not legally agree upon a time limit.

If a scholarship decision leads to the Swedish Tax Agency considering the scholarship salary, the economic consequences of this, i.e. taxes and social security contributions, will be charged to the department or equivalent. The scholarship holder must be reimbursed for any taxes incurred, by means of salary.

Should a case be unclear, it is up to the department to contact the Swedish Tax Agency and ask for clarification, to ensure the Income Tax Act and Swedish Tax Agency's regulations are properly applied and adhered to.

4.2. Umeå University' application of taxation rules

At Umeå University, scholarships may not be disbursed to current employees of the University, or to anyone who was employed by or received a salary or remuneration from the University in the preceding two years.³

² Each scholarship and each donor will be assessed on a case-by-case basis.

³ This also includes doctoral grants for supplementary teacher education.



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Exceptions to this provision may be made following a review by the decision-maker designated by the delegation of authority. Exceptions may be made when the income received during the preceding two years is, for instance:

- less than SEK 1,000 per year
- remuneration to a research subject
- remuneration to students who are a member of a university board, committee, council, or equivalent
- remuneration for work of a completely different nature than education or research.

A scholarship cannot be combined with compensation payments such as subsistence allowances, bed and board benefits or other salary benefit, because the Swedish Tax Agency could then consider the scholarship taxable income.

4.2.1. Specific provision at Umeå University

Scholarships at Umeå University may be awarded for a period of maximum two years – doctoral students being the exception (Chapter 5, Section 4a of the Higher Education Ordinance).

5. Funding of scholarships

Section 10 of the Appropriations Ordinance (2011:223) states that scholarships disbursed by a public agency must be funded by external grants. The external funding body needs to officially consent to their grant being used for scholarships.

Scholarships may not be funded by direct government funding, nor may they be disbursed through contract activities, as such activities require services in return in the form of work carried out.

If an application is made in the University's name, and funds are granted and disbursed as a tax-exempt scholarship, these funds are to be included in the University's accounts. Granted funds are entered as income from grants. Examples include funds from the Swedish Institute, the Swedish Council for Higher Education and the European Commission. Normally, joint costs are not charged to scholarships, as such grants only imply the transfer of the grant. The same applies to so-called travel scholarships that are simply passed on by the University.

Umeå University must decline scholarships where there is a risk that the funding body might demand repayment for the scholarship.

6. Advertising, institution and disbursement

6.1. Scholarships for first- and second-cycle level studies

The purpose of scholarships to first- and second-cycle students is to provide them with practical experience of research work, to strengthen the link between education and research and to encourage them to study at the third-cycle level in the future. Scholarships can be disbursed either for taking a course, or for a short period of practical research experience (documented in an individual study/research plan) for admitted students at the first- or second-cycle level.

Such scholarships may only be awarded to:

- individuals who have been admitted to and registered for studies at the first- or second-



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- cycle level at Umeå University, or
- individuals who have been admitted to and registered for studies at the first- or second-cycle level at a university Umeå University has a partnership agreement with.

Students at the first- or second-cycle level may receive a scholarship for a maximum of eight months during their studies. There may not be any demand for services in return.

The scholarship amount that first- or second-cycle level students receive is determined by the decision-maker designated by the delegation of authority. If the scholarship is intended to cover expenses such as food and accommodation, its amount must equal no less than the sum the holder could obtain from CSN as a student loan (including the grant element) for the period in question.

6.1.1. Institution and disbursement

Students may use a tax-exempt scholarship to fund their living costs while studying at the first- or second-cycle level. Such decisions are taken in accordance with the delegation of authority.

Instituting a scholarship requires a written contract/note of consent from the funding body. A copy of this contract/note of consent must be included with the supporting documentation the department sends to the faculty office in question prior to decision-making.

If the department uses a surplus in the form of external, non-government funds taken up as income in accounts, this must be declared in the supporting documentation the decision-maker receives.

Decisions on scholarships for first- or second-cycle level studies must specify whether the scholarship is to be disbursed as a lump sum or at certain intervals. First- or second-cycle level scholarships instituted by Umeå University may be disbursed over a period of maximum eight months during the holder's studies.

6.2. Scholarships for third-cycle level studies

Funding rules for third-cycle level studies at Umeå University are specified in the *Admission regulations for doctoral education at Umeå University*. These state that admission to third-cycle level studies must be pursued in conjunction with a careful assessment of financial resources, to ensure a secure study period corresponding to four years of full-time studies.

As a rule, doctoral students at Umeå University must hold a doctoral studentship throughout their studies, as stipulated in Chapter 5, Section 7 of the Higher Education Ordinance (1993:100).

At Umeå University, it is the Vice-Chancellor who decides on scholarships for third-cycle level studies, in accordance with Chapter 5, Sections 4 and 4a of the Higher Education Ordinance.

More information on scholarships for third-cycle level studies can be found on the staff website.

When a doctoral student is admitted with a scholarship, the amount they receive must be equal to the post-tax salary level for employed doctoral students, see Chapter 7, Section 36 of the Higher Education Ordinance. This means that scholarships disbursed to doctoral students must follow the incremental salary increase stipulated by the collective agreements at Umeå University. If the doctoral student intends to alternately reside in Sweden and abroad, the minimal-amount requirement is only valid for the periods when the doctoral student resides in Sweden.



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6.2.1. Advertising

Advertising of scholarships for third-cycle level studies must conform with the rules specified in the *Admission regulations for doctoral education at Umeå University*. When third-cycle level places are advertised with the intention to fund part of the studies with a scholarship, this must be stated in the advertisement.

6.2.2. Institution and disbursement

Scholarships for third-cycle level studies are decided by the Vice-Chancellor.

For scholarships at the third-cycle level, the decision must specify whether the scholarship is to be disbursed as a lump sum or at certain intervals.

6.3. Scholarships for postdoctoral qualifications

The purpose of scholarships for postdoctoral qualifications is to promote internationalisation and contribute to further research qualifications following the award of a doctorate/equivalent. On this basis, Umeå University may institute scholarships for postdoctoral qualifications for researchers who obtained their doctorate abroad but wish to obtain further qualifications in Sweden.

As stipulated in the Income Tax Act (1999:1229), there may be no requirement for any services in return. Holders of a scholarship for postdoctoral qualifications may consequentially not engage in any teaching. It is very important that teachers with a supervising role not make the same demands on someone with a scholarship for postdoctoral qualifications as on an employed postdoctoral fellow.

6.3.1. Advertising

Scholarships for postdoctoral qualifications that are instituted by Umeå University and that exceed three months must be advertised on the University's website for at least three weeks, unless there are special reasons to only advertise them for a shorter period. Advertising must be preceded by consultation with a representative of the faculty regarding the formulation of the advertisement. The department must account for the funding and present the funding body's consent that the funds be used for scholarships to the dean.

When advertising scholarships for postdoctoral qualifications, the advertisement must unequivocally state that it is for a scholarship only; it may not be formulated in such a way that it could be construed as an employment advert.

6.3.2. Entry requirements for postdoctoral qualifications

In order to qualify for a postdoctoral scholarship, applicants must have been awarded a doctoral degree or equivalent foreign degree. Preference should be given to applicants who received their degree no more than three years before the end of the application period. Applicants who received their doctoral degree earlier may be considered in special circumstances. Special circumstances include absence due to illness, parental leave, clinical practice, elected positions in trade unions, or similar circumstances.

6.3.3. Individual qualification plan for postdoctoral qualifications

To make it clear that the scholarship is intended for further qualifications and does not constitute compensation for work, the head of department is responsible for making sure an individual qualification plan is drawn up and a supervisor is appointed. The aim of the plan is to guarantee



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that the scholarship holder will receive high-quality qualifications and to show that the scholarship is awarded for qualification purposes, not as compensation for work.

6.3.4. Scholarship amounts for postdoctoral qualifications

Scholarship amounts for postdoctoral qualifications must correspond to at least 48 per cent of the price base amount set by the Swedish Government for the year in question.

6.3.5. Institution and disbursement

Whether or not a tax-exempt scholarship may be used to fund the holder's living costs while they obtain postdoctoral qualifications is a decision delegated to the dean. This decision may not be delegated further.

Instituting a scholarship requires a written contract/note of consent from the funding body. A copy of this contract/note of consent must be included with the supporting documentation sent to the dean of the faculty in question prior to decision-making. If the department uses a surplus in the form of external, non-governmental funds taken up as income in accounts, this must be mentioned in the supporting documentation.

The scholarship decision proposal must come with an appendix describing how the scholarship holder was selected from among the candidates.

The scholarship decision must state that it is a condition of the scholarship that it may be reconsidered should the scholarship holder find themselves unable to use it for their education/further qualifications. The decision must be registered.

Scholarships for postdoctoral qualifications are disbursed in advance every six months.

7. Additional scholarships

Any additional expenses the scholarship holder has, and that are connected with their education/qualifications, may be covered by an additional scholarship. Scholarship holders whose studies are funded by other means than through Umeå University, e.g. by scholarships/employment in their home countries, may receive additional scholarships for travel, subsistence and housing expenses.

Scholarships for third-cycle level studies and postdoctoral qualifications must cover the costs for subsistence, including food and housing, during the scholarship period. When determining the scholarship amount, expenses for travelling to and from the location of study at the beginning and end of the scholarship period may be taken into consideration. No additional sums will be paid for accompanying family members.

Additional scholarship decisions are made by the decision-maker designated by the delegation of authority and relevant sub-delegations.



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8. Reconsideration of scholarships

In special circumstances, a scholarship decision can be reconsidered. The decision to do so is taken by the person who decided on the scholarship, in line with the delegation of authority. This decision needs to be preceded by an investigation and, if necessary, consultation with the Human Resources Office.

9. Informing and welcoming scholarship holders

The head of department or equivalent is responsible for informing the scholarship holder of the conditions of their scholarship and any other details relevant to their stay well ahead of their arrival. For more information and recommendations, see the staff website.

Scholarship holders undertaking a third-cycle study programme or a postdoctoral qualification are covered by the Work Environment Act. They must therefore be guaranteed a good work environment and have access to the university's occupational health services on the same conditions as employed staff.

10. Follow-up

Each faculty is responsible for providing information about the applicable regulations and for ensuring these are observed.