

# Scholarship Rules at Karolinska Institutet

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**Karolinska  
Institutet**



## Scholarship rules at Karolinska Institutet

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The International Relations Unit The Faculty Office  
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## 1. Introduction

Scholarships are an established form of funding in the context of education, and for other purposes. These rules include scholarships set up by Karolinska Institutet (KI), as well as external scholarships.

At KI there are scholarships awarded for the recipient's education and other purposes. Educational scholarships may only be established for undergraduate, graduate, and doctoral education. Scholarships for postdoctoral studies are considered to be scholarships for other purposes.

## 2. Purpose

The purpose of the rules is to ensure that KI uses scholarships consistently and correctly, as well as to provide guidance to departments/units on how scholarships should be managed. For tax and employment reasons, the rules shall also help to increase the internal control of how scholarships are established and used.

The rules shall ensure that scholarship recipients receive adequate information about the terms and conditions for scholarship funding.

## 3. Information

Different rules apply for scholarships for education and other grants, in accordance with Chapter 8, § 5 of the Income Tax Act (1999:1229), IL.

- Scholarships intended for the recipient's *education* are tax-exempt.
- Scholarships intended for *other purposes* are tax-exempt, provided that they do not constitute compensation for work performed (or that will be performed) for the disburser, and are not disbursed periodically.

In this context, *education* also refers to education at the undergraduate, graduate, and doctoral level. The tax-exempt status of scholarships granted to postdoctoral researchers may be assessed according to the rules for scholarships for *other purposes*. Extra vigilance shall be exercised when establishing scholarships for postdoctoral studies, because it may be difficult to distinguish postdoctoral studies from work performed. The Swedish Tax Agency's assessment of scholarships is always carried out after the fact, and if that authority believes that the scholarship is a salary for work performed, both the scholarship recipient and KI will be required to pay taxes.

Educational scholarships may be paid on a periodic basis. However, as with other scholarships, an assessment must be made of whether or not they constitute remuneration for work. The Swedish Tax Agency considers that an educational scholarship may retain its status as tax-exempt income even if the recipient at carries out (or has carried out) certain paid work for the disburser. However, the following requirements must be met:

- It must be clear that the scholarship is not subject to any claim to quid pro quo from the disburser. One factor which suggests that the scholarship is not subject to any claim to quid pro quo is that the scholarship has been announced and

awarded following a process of competition (a report by the scholarship recipient outlining how his/her scholarship-funded studies have been completed is not considered to constitute quid pro quo).

- No other circumstances which suggest that the disbursement should be treated as something other than a tax-exempt scholarship may exist.

A further prerequisite for the tax exemption of the scholarship grant is that the salaried work is limited and ancillary to the education.

#### **4. Basic provisions**

Scholarship recipients shall complete their education and shall attend university in accordance with their syllabus or study plan. In the instance that the recipient neglects to fulfill his/her obligations, KI may revoke granted (but not disbursed) scholarship funds.

Government funds may not be used to finance scholarships. Scholarships may only be set up using funds from external funders which have approved the use of said funds for the disbursement of scholarships.

In case of any changes in the income situation of the scholarship recipient, the supervisor and the chief administrator (or equivalent persons) shall be contacted. The same applies if the scholarship recipient intends to seek additional funding or receive a salary from an employer. Any changes shall be documented in the individual financing plan/curriculum.

Scholarship recipients are expected to adhere to the applicable aspects of KI's rules and regulations for employees (such as the Code of Conduct).

#### **5. The establishment and funding of scholarships**

##### **5.1 External scholarships**

External scholarships are awarded by external disbursers and are paid directly to the scholarship recipient.

##### **5.2 Scholarships established by KI**

A scholarship may not be disbursed to any person who received a salary or remuneration from KI during the two-year period immediately preceding the potential disbursement. This provision may be waived if the income received during the preceding two-year period relates to:

- Income (from a position) of less than 1,000 SEK per year

Other compensation, such as:

- Compensation paid to research subjects
- Compensation paid to student representatives on KI boards/committees
- Compensation for work performed that was of an entirely different nature than education and research

Scholarships may not be disbursed by commission-funded organizations, because such commissions require a quid pro quo in the form of work performed.

Decisions on scholarships are made by the heads of department and may not be delegated.

### 5.3 Undergraduate and graduate level education

These scholarships aim to provide students at the undergraduate or graduate level with early practical experience of research work, in order to strengthen the link between education and research and encourage future studies at the doctoral level. The scholarships can be granted either for studies in an existing course or for a shorter period of practical research experience (documented in an individual study plan/research plan) for admitted students at the undergraduate or graduate level.

The scholarships may be granted only to:

- persons who have been admitted (and registered in Ladok) to KI to study at the undergraduate or graduate level,
- persons who are admitted (and registered) to undergraduate or graduate level programs at a university with which KI collaborates.

The scholarships may be established for a maximum of 12 months, divided into a maximum of four courses/periods.

The scholarship amount is recommended to correspond to the student financial aid amount for full-time study (according to CSN, Centrala studiestödsnämnden). The scholarship amount is determined for a maximum of six months at a time and is disbursed on a monthly basis.

### 5.4 Doctoral education

Doctoral students with scholarship funding shall be employed when, according to his/her individual study plan, a period of study equivalent to three years of full-time doctoral education remains. Please note that this provision applies only to doctoral students admitted after July 1, 2018.

A doctoral student whose scholarship funding consists of a scholarship need not be employed in accordance with Chapter 5, § 4 of the Higher Education Ordinance, if the grant is provided within the framework of:

- *a national or intergovernmental aid and capacity-building program* in which scholarships constitute an accepted form of financing with reasonable scholarship terms and conditions, and the admitting higher education institution exercises transparency in terms of scholarship terms and conditions and how the scholarship will be disbursed, or
- If the scholarship is provided within the framework of *a European Union-funded program or other partnership*, in which scholarships with reasonable scholarship terms and conditions are an accepted form of financing, and the requirement of funding through employment becomes a barrier to the participation of the admitting higher education institution; see Chapter 5, § 4 a

of the Higher Education Ordinance.

*Aid and capacity-building programs* are considered to include programs from countries included in the list from DAC/OECD that applied at the time of the student's admission to his/her doctoral program, and those which constitute capacity-building cooperation, as defined by the Board of International Development Cooperation (Sida): “*Capacity development is a process in which individuals, groups and organizations develops their ability to identify and manage the challenges they encounter during the development process.*”

*EU-funded or other collaborations* include:

- financing from international scholarship organizations approved by the Board of Doctoral Education (or an equivalent body in a future management organization). Approved international scholarship organizations are those with which KI has a formal collaborative agreements. These currently include the Chinese Scholarship Council and the Indonesian scholarship organization LPDP.
- formalized doctoral education collaborations (based on a general cooperation agreement with KI) in which scholarships are a customary form of financing (often leading to a double or joint degree) and in which doctoral students from a non-Swedish home university participate.

KI has formalized doctoral education collaborations (based on a general cooperation agreement with KI) with National University of Singapore, Nanyang Technological University in Singapore, National Institutes of Health (NIH) in the USA, Makerere University in Uganda and Stellenbosch University in South Africa.

#### **5.4.1 Income level and supplementary funding for doctoral students**

When KI accepts doctoral students whose studies are funded through scholarships, the financing is considered to be secured if the level of scholarship is equivalent to the salary level for employees; see Chapter 7. § 36 of the Higher Education Ordinance.

There it is stated that an income level corresponding to the lowest post-tax salary for a PhD position (for newly appointed doctoral students employed at KI) is available to doctoral students with external funding.

Funding for doctoral students with external scholarships shall comply with the doctoral student salary ladder or equivalent salary development for employed doctoral students at KI. If students divide their time between Sweden and another country, the minimum income level requirement applies only when they are in Sweden.

In the instance that an external scholarship or so-called “Sida allowance” (grant for education) is awarded and the funding is lower than KI’s minimum income level, supplementary funding shall be provided through a KI-established scholarship for doctoral students or through additional employment, to ensure that KI's minimum income level is reached.

As a general rule, supplementary KI-established doctoral scholarships may be awarded to persons who are admitted to a doctoral program at KI. KI-established doctoral scholarships may also be awarded to persons who are located at KI as part of their

doctoral education, but who have been admitted to a doctoral program at a university other than KI. Scholarships may only be established using funds from external funders which have approved (in writing) the use of said funds for the disbursement of scholarships.

Aside from supplementary doctoral scholarships, no KI-established scholarships for doctoral education are permitted.

### [The minimum income levels for doctoral students with scholarships](#)

#### **5.5 Postdoctoral studies**

KI-established scholarships for postdoctoral studies may be established for foreign researchers who carry out their postdoctoral activities in Sweden. The purpose of scholarships for postdoctoral studies is to promote internationalization and to contribute to postdoctoral research following the earning of a PhD or equivalent degree.

Scholarships for the pursuit of postdoctoral studies be awarded for a maximum period of two years, within a period of four years, after the disputation or equivalent. As a rule, the postdoctoral studies are carried out on a full-time basis. Both internal and external scholarships shall be announced and awarded following a process of competition. Scholarship recipients shall complete their education and shall attend university in accordance with their syllabus or study plan.

To be eligible for a post-doctoral scholarship, the person shall hold a doctoral degree or foreign qualification deemed to be equivalent to a PhD. This assessment is made by head of department and shall be outlined in the scholarship decision. When a postdoctoral scholarship is awarded, the recipient is registered as a postdoctoral fellow in the new authorization and identity management system, IDAC.

##### **5.5.1 Scholarship amounts for postdoctoral studies**

Postdoctoral scholarships disbursed by may be comprehensive, or they may supplement other external income. It is recommended that the postdoctoral income level be equivalent to the highest level of income after tax in the local collective agreements for doctoral students.

A higher amount may be disbursed in exceptional cases. The reason for the larger disbursement shall be documented in the scholarship decision. The scholarship decision is valid for 12 months at a time. In exceptional cases, shorter periods may apply.

Scholarships intended for other purposes are tax-exempt, provided that they do not constitute compensation for work performed (or that will be performed) for the disburser, and are not disbursed periodically.

The tax-exempt status of scholarships granted to postdoctoral researchers may be assessed according to the rules for scholarships for other purposes. Because postdoctoral scholarships may not be disbursed periodically, advance disbursements are made on a semi-annual basis.

## **6. The scholarship recipient's insurance protection**

In order to be covered by employment-based benefits (such as parental benefits, sickness benefits and an income-based general old-age pension), a person must have (or have had) a salaried job in Sweden. Scholarships do not constitute a basis for such benefits.

To be subject to the residence-based benefits (such as child benefits and housing benefits), the person in question must be considered to be a resident of Sweden and his/her actual residence must be located here. According to the Social Security Code, those who come to Sweden to study are not considered to be reside here.

Through insurance provided by Kammarkollegiet, doctoral students with scholarships have the right to compensation in the event that the student's scholarship lapses as a result of illness-related absence or parental leave. Insurance for scholarship-funded doctoral students also applies if the doctoral student's period of study becomes longer due to illness or parental leave.

In accordance with Chapter 1, § 11 c of the Higher Education Ordinance, the extension corresponds to the period of absence, provided that the scholarship is not disbursed within that period.

People with KI-instituted scholarships may retain their scholarships in the event of illness and parental leave. However, the periods during which the scholarships are awarded (12 months of education at the undergraduate or graduate level, or two years in the instance of postdoctoral activities) cannot be extended due to illness or parental leave.

To learn more, please see the "Insurance" page on the KI employee portal.

It should be noted that scholarships are not subject to any benefits under collective agreements, such as vacation, parental pay, sick pay, etc.

## **7. OSH responsibilities**

KI is responsible for the occupational health and safety of everyone who frequents KI's premises. In order for KI to fulfill its occupational health and safety responsibilities, it is important that all scholarship recipients who are not registered in Ladok be recorded in IDAC. This applies above all to postdoctoral scholarship recipients.