

International Student Resource Center

Understanding International Student Employment and Non-Study Activities in F-1 Status

Understanding International Student Employment and Non-Study Activities in F-1 Status

This document explains where the line falls between permissible incidental or entrepreneurial activities on one hand, and activities that jeopardize international student F-1 status or constitute unauthorized employment on the other. The purpose is to help students recognize risk early, understand how common situations are viewed, and avoid violations that may have lasting immigration consequences.

Background

F-1 status is granted for the primary purpose of study in the United States. The rules allow students to participate in many normal parts of student life, but they also place real limits on employment and other work-like activity. The challenge is that modern student life now often includes freelance work, digital platforms, social media monetization, side businesses, and startup activity, all of which create the need to analyze whether something is a normal extracurricular activity and unauthorized employment.

This issue is not limited to traditional jobs. It includes activity performed in person or online, for a U.S. business or for clients elsewhere, and for cash, non-cash benefits, or other compensation. Because many students assume that small-scale, part-time, online, or "informal" work is less serious, they may not realize they are creating problems for their current status and future immigration benefits.

The Current Environment

The stakes are higher than ever. Designated School Officials (DSO) and immigration attorneys report that students are increasingly involved in entrepreneurial ventures, platform-based work, and side hustles. E-commerce and gig platforms have made it easier for students to earn money through side activities, while also making those activities easier to trace through tax documents, payment systems, platform records, and banking information.

This is happening at the same time that enforcement priorities have shifted toward identifying exactly those activities. The Department of Homeland Security (DHS) and Immigration and Customs Enforcement/Student-Exchange Visitor Program (ICE/SEVP) have increased scrutiny of nonimmigrant records, including close examination of employment history and any unauthorized work. DHS and SEVP have implemented more sophisticated data-sharing agreements with other government agencies, including the Internal Revenue Service (IRS), the Social Security Administration, and state authorities. Activities that might once have gone unnoticed are now more likely to create problems for future status, work authorization, and permanent residence applications.

Consequences of a violation

Even a single violation of F-1 employment rules can trigger serious consequences. These may include immediate loss of F-1 status, termination of the SEVIS record, unlawful presence in the United States, and barriers to future immigration benefits. The consequences do not stop with the current period of study. Unauthorized employment can create future problems for re-entry and later visa categories, including H-1B, L-1, and family-based green card petitions. Understanding the rules is an important long-term professional and immigration planning issue.

Basics of maintaining status

A student must be enrolled in a full-time course of study each term as defined by the school, typically at least 12 credit hours per semester for undergrads and 9 credit hours for graduate students. Part-time enrollment is allowed only with DSO approval in very limited circumstances. Failure to maintain full-time enrollment can result in automatic termination of F-1 status.

Second, the student must be making normal academic progress. This generally means maintaining satisfactory academic standing under school policy, including a sufficient GPA and progress toward completion of the degree. Repeated academic probation, failure to complete

required courses, or excessive withdrawals can be viewed as evidence that the student is not making normal progress.

The student must also keep records current. The SEVIS record must reflect the student's current residential address, phone number, email, and program status. Significant changes such as a change of major, extension of program, or change of school location must be reported promptly to the DSO.

These rules are built around the idea that study must remain the student's primary purpose. Any activity that interferes with the above requirements can jeopardize F-1 status.

Incidental activities that are generally allowed

Students may engage in certain non-academic activities while remaining in status. These incidental activities are allowed so long as the student maintains primary F-1 obligations and the activity does not interfere with full-time study or normal academic progress. Some examples of these activities include participation in student clubs, organizations, and leadership roles, intramural or club sports, volunteer work for the university or for other bona fide nonprofit organizations, social and recreational activities, and travel. These are considered part of the normal student experience and are generally allowed because they do not constitute work for compensation and do not compete with the student's academic purpose.

Defining employment

There is no official definition of employment in immigration law, but a broad functional definition is: any service or labor performed, whether on-campus or off-campus, in person or online, in exchange for compensation or a benefit, or work of a type that would typically be compensated in a commercial setting.

This definition is intentionally broad. It includes wages or salary, tips and gratuities, commission or profit from sales, barter or trade of services, and equity or stock options where the equity is tied to performance or services. Unpaid internships at for-profit companies, self-employment, and entrepreneurial income can fall within the concept of employment.

Students should be aware of some common misunderstandings. A student cannot avoid the employment analysis simply by characterizing an arrangement as volunteer work, labeling it self-employment, or receiving compensation in a non-traditional form. The substance of the activity matters more than the label attached to it.

Common areas of risk

There are several recurring risk categories. One is paid work for a U.S. employer without authorization, including part-time retail work, food service, tutoring, childcare, and professional services. If a student works for a U.S. company or individual in exchange for payment without approval for CPT, OPT, or valid on-campus employment authorization, the activity is a clear violation.

An increasingly common area of risk is providing services through digital platforms such as Upwork, Fiverr, Freelancer, and Amazon Turk. Students should understand that the location of the client or the source of the payment is not what determines if the activity is employment. What matters is where the student is physically located when the work is performed. If the student is in the United States in F-1 status while performing the services, the activity generally requires U.S. authorization.

Another area is gig economy or irregular work through platforms such as DoorDash, Uber, Lyft, and TaskRabbit. Even if the platform characterizes the worker as an independent contractor, from an F-1 compliance perspective the activity is still treated as employment. These platforms also create records and must report their payments to the government, usually through 1099 forms, that makes the activity visible to the government.

While modern work arrangements often feel less formal than a traditional payroll job, they can be just as problematic. Contracting, invoicing through a business entity, or using an app-based platform does not remove the underlying issue if the student is performing labor from the United States without authorization.

The 1099 issue

Form 1099-NEC or 1099-MISC is issued when a business pays a person or business entity $600 or more in a calendar year for services rendered. The form is reported both to the recipient and to the IRS, which creates a paper trail. Receiving a 1099 does not make an activity permissible, and it does not convert unauthorized work into acceptable self-employment. A student can receive a 1099 and still be violating F-1 employment rules.

The IRS treats 1099 income as self-employment income, which may create tax obligations. More importantly for immigration purposes, DHS and ICE can access IRS records and compare them with SEVIS records. If the government sees that a student was in F-1 status in the United States during a period in which the student reported 1099 income, the discrepancy can trigger an investigation, and may result in the finding of a violation of status. Students should also understand that failing to report the income to the IRS is not a solution. That simply adds a tax problem to the underlying immigration problem.

Entrepreneurship before OPT: passive ownership

Many students seek out or create entrepreneurial opportunities in F-1 status before OPT authorization. Students are limited in their ability to engage in entrepreneurial activities. While passive ownership such as merely holding shares, equity, or an LLC membership interest in a business does not by itself constitute employment, more active involvement can cross over into employment.

Student entrepreneurs may attend occasional board meetings in a non-operational role, receive passive investment returns, or hold equity as a founder. The central question is whether the student is performing labor or services, or whether the student is simply an owner.

Some other activities that may fit within passive or preparatory conduct include forming an LLC, incorporating a company, registering a business name, opening a business bank account, maintaining business records, securing an EIN, developing a business idea, refining a business model, conducting market research, creating pitch decks, writing a business plan, researching competitors, meeting with potential investors, and building a prototype or proof of concept.

Some passive activities can generate revenue without requiring the student to perform work. Some examples are owning an app, website, or digital product that generates revenue without ongoing work input, licensing intellectual property created before F-1 status, and holding rental property or investment accounts that generate returns. Any revenue generated must either be the result of passive activity or be the product of work done either outside the US or with employment authorization, and no new or additional active work can be done while in F-1 status without authorization.

A key distinction is between ownership and planning and active operation. A student may be able to set up the framework for a future business but must still avoid crossing into actual operational work without authorization.

Active operations that generally require authorization

Active operations require work authorization. If a student is directly involved in day-to-day business functions such as fulfilling orders, managing customer communications, coding, marketing, logistics, human resources, or sales, the student is performing work. Unless the student has specific authorization such as CPT, OPT, or another valid employment category, that work is unauthorized.

Active operations include running an active shop on Etsy, Shopify, or Amazon, creating, uploading, or revising product listings; managing inventory; handling customer inquiries, complaints, and returns; and responding to messages and reviews. They also include service-based work such as consulting, coding, graphic design, writing, tutoring, translation, interpretation, lessons, and other compensated services.

Similarly, digital products created before entering the United States should count as passive income once they are listed online. But if the student is actively maintaining the shop from the United States by updating listings, responding to messages, handling disputes, or uploading variations, this becomes work.

Many of these activities produce only marginal income. It is important to remember that the amount of income generated is irrelevant. The issue is whether the student is performing unauthorized work, not whether the income is enough to live on.

Each of the points above apply to many online business models, where students mistakenly focus on where the product was created, how little money is earned, or whether third parties handle part of the process. Again, the key question is whether the student is actively working from the United States.

Attempts to avoid detection

Some students attempt to structure activity around the rules without changing the underlying conduct. Using a different legal name, a business name, or an entity in a family member's name will not shield students from immigration consequences. The government can still trace income back to the individual, but more importantly, deliberate misrepresentation can create fraud issues in addition to the employment violation.

Another common practice is directing payments to a bank account in the student's home country. This does not solve the problem. If the work is performed in the United States, the location of the payment is irrelevant. What matters is where the student performed the labor or service.

The employment analysis for immigration purposes follows substance, not form. Rearranging payment flows, names, or entities does not change the basic question of whether unauthorized work is being performed.

Gray areas and limited unpaid activity

Some situations are genuine gray areas. These typically involve minor, occasional, and uncompensated activity that is not clearly part of student responsibilities but may still be incidental to student life.

Some examples of activity that is probably acceptable includes genuine volunteer work for a nonprofit organization, unpaid research or class projects extending slightly beyond

coursework, occasional informal tutoring or help to fellow students without compensation, unpaid internships at universities or educational nonprofits, and informal unpaid participation in a startup weekend or hackathon, so long as there is no compensation, equity, or ongoing commitment.

Students should understand that simply labeling an activity as “volunteer” does not make what would otherwise be work requiring authorization into an acceptable activity. Activities become risky when a student repeatedly volunteers for a for-profit company doing work a paid worker normally does, especially if the arrangement later turns into paid work. The problem is not the title of the role; it is whether the activity resembles labor that is normally compensated.

Case Study: Hackathons

This case study offers a framework for distinguishing incidental activity from employment. Many entrepreneurial students participate in hackathons or similar events. Participating in a short educational event like this by developing ideas, coding, or pitching is described as likely allowed if the event is educational in nature, limited in duration, and not an ongoing work arrangement. Even winning a prize or being invited to seek funding does not, by itself, necessarily transform the activity into employment.

The risks increase if the event leads to what becomes an actual employment relationship. Problems may arise if the student accepts an ongoing operational role, receives regular compensation, or takes equity in exchange for work services. At that point, what started as a short-term educational event may have become active employment activity requiring authorization. Students should still participate freely in events like hackathons but should consult a DSO and/or an immigration attorney before accepting formal roles, regular compensation, or similar commitments that move beyond incidental participation.

Structuring a startup while in F-1 status

Many entrepreneurial students either found or are part of a startup during their studies. A practical approach for students interested in startup activity during their studies follows the advice given in this document. While in F-1 status, the student’s role in the startup should be

passive, involving elements limited to ownership, strategic guidance, and planning. Day-to-day operational tasks should be avoided without prior approved work authorization.

While limited, these activities still allow the student to develop and validate the business idea without risking status and allow the student to attract co-founders or investors who can handle operations, and create a company that is ready to scale once OPT authorization is received. Students should consider co-founders who are U.S. citizens or permanent residents to handle active day-to-day operations until they have employment authorization. Once the student has OPT, the work should align directly with the student's major, and the student should be prepared in the future to show evidence such as portfolio material, product documentation, client work, and detailed records of hours and tasks.

Practical approach for students

Students should follow a practical decision-making framework. Students should begin by asking whether the activity involves labor or services, whether there is compensation or a benefit, whether the activity is of a kind typically paid in a commercial setting, and whether the student is actively operating something, no matter how small, from the United States.

Students should also ask whether the activity is interfering with full-time enrollment or normal academic progress, whether it is creating tax or platform records, and whether they would be comfortable fully explaining the arrangement to a DSO, to USCIS, or in a future immigration filing. It is important to note that the interpretation of possible unauthorized employment can be made by the DSO. Even if the student feels the work is completely passive or volunteer in nature, if the DSO finds that unauthorized employment has occurred, they will need to terminate the SEVIS record. In general, reinstatement of the SEVIS record is not possible if the violation is found to be unauthorized employment.

Where the activity is clearly entrepreneurial, platform-based, client-facing, monetized, or operational, the safest assumption is that authorization is needed unless a knowledgeable advisor or attorney confirms otherwise. Where the activity is truly minor, unpaid, educational, and incidental, it may fall within a safer category, but this can be a complex analysis.

Final thoughts

F-1 status provides an opportunity to study in the United States and gain valuable education and experience, but the employment rules are designed to preserve the integrity of the student category and ensure that the student's primary commitment remains education.

The best approach to entrepreneurship and other activities that do not fall within traditional employment relationships is proactive planning, early consultation, and use of lawful pathways such as on-campus employment, CPT, and OPT. Students should raise questions early with their DSO and should consult an immigration attorney when the situation is complex. The cost of early planning and advice is far less than the cost of status termination, unlawful presence, and a problem discovered only after the fact.