

## NON-RESIDENT ALIEN TAX INFORMATION AND TAX TREATY INSTRUCTIONS

The following information and instructions provide guidelines for non-resident alien student workers, research assistants and employees. To determine whether you are a resident alien or a non-resident alien, see page 4 of *IRS Publication 519, U.S. Tax Guide for Aliens*.

It is the sole responsibility of the taxpayer/employee to be familiar with and understand the terms and conditions of their work authorization, tax treaties, and other regulations relevant to such taxpayer's employment. Neither Lawrence Technological University or its Payroll Coordinator makes any kind of warranty, explicit or implied, as to the accuracy of the process described below, and cannot be held liable for any issues that arise from this process. Our process is accurate to the best of our knowledge, but our knowledge on these issues is limited. Certain notifications and reminders may be provided by Lawrence Technological University as a courtesy. It is recommended that employees consult with a tax specialist.

### **FORM W-4**

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All employees, including non-resident aliens, must complete a Form W-4. Special IRS rules apply to non-resident alien employees, as follows:

**Box 3** Request 'single' withholding regardless of marital status

**Box 5** Claim only one allowance

**Exception:** Resident of Canada, Mexico, Japan, or South Korea may claim more than one allowance

**Box 6** Request additional income tax withholding. The specific amount is dependent upon the payroll period as follows:

<u>Pay Period</u>	<u>Additional Withholding</u>
Bi-weekly	\$15.30
Semi-monthly	\$16.60

**Note:** Non-resident alien students from India are not subject to the additional income tax withholding requirement. Tax residents of Canada, Mexico, Japan and Korea may claim actual allowances, but are subject to the additional federal income tax withholding.

**Box 7** Do **NOT** claim 'Exempt' from income tax withholding

### **FICA TAX WITHHOLDING**

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Student Workers who hold an F-1 classification are exempt from paying Social Security (FICA) and Medicare income taxes. Employees who hold a J-1 classification and are non-resident aliens for tax purposes are also exempt from paying FICA and Medicare tax. However, because the determination is based on the length of time in the U.S., this status could change.

**FORM W-2**

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Form W-2 lists the taxable compensation withholding amounts. It is mailed to your last known address no later than January 31<sup>st</sup>. Please make sure that Lawrence Technological University's Human Resources department has your most current address on file.

**1042-S**

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Form 1042-S shows the amounts of scholarships or fellowship grants and compensation which are treaty-exempt. It is mailed to your last known address around the middle of March.

**TAX TREATY INSTRUCTIONS**

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Non-resident aliens who MAY be eligible to claim a tax treaty exemption must follow the procedure below before a determination can be made regarding treaty status.

1. Complete the attached *Non-U.S. Citizen Employee Tax Assessment Form (Doc. #1059v1.0)*
  - a. Complete the form in its entirety within 10 days of employment. If a change in Visa or Citizenship status occurs, complete and submit a new form within 10 days of change in status.
  - b. Attach copies (both front and back) of the following documents as indicated below:

F-1 Students	I-94, I-20, EAD (if on OPT)
J-1	I-94, IAP-66 or DS-2019
F-1 and J-1	Passport, signed Social Security Card or receipt from the Social Security Administration
2. Give the completed form and attachments to your department administrative assistant. The administrative assistant will forward your paperwork and employment documents to the Payroll Department for processing.
3. Email the Payroll Coordinator at [tyrer@ltu.edu](mailto:tyrer@ltu.edu) to schedule an appointment to review your documents.
4. After the Payroll Coordinator receives the paperwork and your email, a tax treaty exemption determination will be made. If you qualify for a tax treaty exemption, the Payroll Coordinator will email you to schedule a meeting for you to visit the Payroll office and obtain the appropriate IRS tax forms. Your history of presence determines your tax status and tax treaty eligibility.

**HELPFUL WEBSITES**

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<http://www.irs.gov>

Provides federal information and tax forms.

Suggested publications:

- Publication 513: *Tax Information for Visitors to the United States*
- Publication 519: *US Tax Guide for Aliens*
- Publication 597: *Information on the US-Canada Income Tax Treaty*
- Publication 901: *U.S. Tax Treaties*

<http://www.michigan.gov/treasury>

State of Michigan, Department of Treasury, web address

IRS Federal Tax Office Address:

477 Michigan Avenue, Detroit, MI 48226  
313.628.3722

**NON-U.S. CITIZEN EMPLOYEE TAX ASSESSMENT FORM (Doc. #1059v1.0)****INSTRUCTIONS FOR COMPLETING FORM**

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1. The form must be completed by all non-resident aliens each year.
2. The following documents, if applicable, must be attached:
  - a. Visa
  - b. I-94
  - c. I-20
  - d. EAD
  - e. IAP-66 or DS-2019
  - f. Passport
  - g. Signed Social Security Card or receipt from Social Security Administration
3. Visa number is the number in RED on your visa.
4. You must have a foreign residence address (PO boxes cannot be used).
5. You must include the start date for your current activity. Please also include the date of your first arrival in the United States.
6. Projected end date is the end date on the I20, IAP-66 or DS-2019.
7. Residency verification is where you last paid taxes as a resident (do NOT include the United States).

**NOTE:** Forms that are not complete will be returned to your department.

Federal regulations require Lawrence Technological University (LTU) to request a Social Security Number from every non-US citizen employee to whom compensation is paid. The employee's Social Security Number is maintained and used by LTU for payroll and benefits purposes, to verify employment history and is reported to the Federal and State agencies on forms required by law for benefits purposes. LTU will not disclose an employee's Social Security Number without the consent of the employee to anyone outside LTU, except as mandated by law. Failure to provide a Social Security Number may result in withdrawal of an offer of employment and/or denial of benefits. LTU is working to minimize the use of Social Security Numbers within its business process.