

INTERNATIONAL PROCESS AND PROCEDURE

All new international employees required to go into the Foreign National Information System (FNIS) website to enter their immigration history information. Webster University uses FNIS to collect data on all foreign nationals employed at the institution. FNIS will automatically calculate your Tax Residency Status and analyze if you are eligible for Tax Treaty benefits. Tax Residency Status determines how employers can properly withhold taxes, how the individual should complete the W4 withholding allowance form, what income is taxable, which tax forms must be completed for a tax return, and even whether a tax return is required.

Please contact the Payroll Department for your FNIS login information at payroll@webster.edu or call 314-246-7408.

**Foreign National Information Login
(FNIS)**

Payroll is REQUIRED to have a copy of the following supporting documents verifying the FNIS information you have provided:

- Copy of I-9 (Employment Eligibility Verification Form)
<http://www.uscis.gov/files/form/i-9.pdf>
- W-4 Forms - State of Missouri and Federal (Employee Withholding Allowance Forms)
- Copy of your Social Security Card
- Copy of Biographical Page from your Passport
- Copy of the Visa page from your Passport
- Copy of your I-94 card from your Passport (Arrival/Departure Record)
- Copy of I-20 (Certificate of Eligibility for Nonimmigrant (F-1) Student Status)
 - OR
- Copy of DS-2019 (Certificate of Eligibility for Exchange Visitor J-1 Status)
 - OR
- Copy of Permanent Resident Card (Green Card)
- Employees with Tax Treaty need to sign the Form 8233 once the treaty information has been verified. The Payroll department will contact you for signature.

Other documents that is useful, but not required:

- Copy of Form I-797A (Exchange VISA only)
- Copy of Form I-566 Interagency Record of Request
- Copy of Form I-765 Application for Employment Authorization
- Copy of Form I-766 Employment Authorization Card

- Copy of Drivers License for any state in the US

FREQUENTLY ASKED QUESTIONS

Why does my paycheck show single when I am married?

Your paycheck information is for tax purposes only. If you are a nonresident alien or a resident alien receiving a treaty benefit, your paycheck will show single status. Your personal data will indicate that you are married.

Why can't I get my treaty benefit without a social security number?

We are required by the IRS to have a social security number for all payments made in which a treaty benefit was given. If you have received a paycheck in which taxes were withheld, the federal and state tax will be refunded to you if your signed forms are received in a timely manner.

I had federal tax withheld on my stipend paycheck, why was state tax not withheld?

We are required by the IRS to withhold 14% federal tax on stipend payments to foreign nationals that do not have a treaty benefit. The state of Missouri does not have this requirement.

I was eligible for a treaty benefit but did not return a signed Form 8233, how can I get the treaty benefit?

You can apply for a treaty benefit when you file your federal and state tax returns for that year.

Can I get the social security and Medicare (FICA) taxes refunded when I return to my home country?

Social security and Medicare taxes will not be refunded to you when you return to your home country unless they were withheld in error.

Can the payroll office help me file my tax return?

Neither the Payroll office nor the University can provide assistance in filing your tax returns. See 'Tax Reporting of Wage and Stipend Payments' for additional information.

The Multicultural Center and International Student Affairs (MCISA) hosts several tax workshops each year in March and April to assist international students on F-1 and J-1 visas at Webster University, St. Louis, Missouri campus to file their income taxes in order to be in compliance with U.S. tax laws. However, filing federal income tax forms is the personal responsibility of

each international student. See blogs.webster.edu/mcisa/resources/immigration-and-tax-related-links/ for additional information.

Will I receive both a Form W-2 and Form 1042-S?

It depends; you will receive a Form 1042-S if you have a treaty benefit. If you do not have a full treaty you could also receive a Form W-2. If you have no treaty benefit, you will only receive a Form W-2.

I have a tax treaty, why do I have St. Louis city tax withheld?

The City of St. Louis does not honor tax treaties.

Who do I contact if I did not receive a Form W-2 or Form 1042-S?

If you did not receive a form W-2 or form 1042-S, please send an email with your name and Student ID number to payroll@webster.edu.

SOCIAL SECURITY NUMBER

A foreign national, either resident or nonresident alien, must obtain a Social Security number (SSN) to be paid as an employee by Webster University. The Office of Admission and International Services will provide you with a letter to take to the social security office with your application (SS-5). You can access the application by going to www.ssa.gov.

International students (on F-1 and J-1 visas) need to request an official letter from the University to take to the Social Security office with your application. Please bring your Passport, I-20 or DS-2019 form, I-94 and student ID card to the Office of Admission, Welcome Center, 130 Webster Hall during normal business hours (Monday through Thursday 8:30 am to 5:30 pm, and Friday 8:30 am to 4:30 pm). Questions may be directed to International Services at 314-968-7100 or intlstudy@webster.edu.

For St. Louis campus international students, the Multicultural Center and International Student Affairs (MCISA) offers limited local transportation to the Social Security office on a monthly basis. Please visit <http://blogs.webster.edu/mcisa/resources/social-security-number-tax-information-and-drivers-license/> for more information on the application process.

TAXATION OF FOREIGN NATIONAL INDIVIDUALS

The Internal Revenue Service (IRS) definition of “residency” is NOT the same as the Immigration (DHS) definition. See ‘Payments to Foreign Individuals’ below for more information on Tax Residency Status.

Nonresident Alien (for tax purposes)

- Taxes are levied on U.S. source income.
- If you are on an F-1 or J-1 visa, a tax treaty may exempt some income from taxes. The U.S. has income tax treaties with a number of foreign countries. Under these treaties, residents (not necessarily citizens) of foreign countries are taxed at a reduced rate, or are exempt from U.S. income taxes on certain types of income they receive from sources within the United States. These reduced rates and exemptions vary among countries and specific types of income. The state of Missouri honors tax treaty, but the City of St. Louis does not.
- If you are on an F-1 or J-1 visa, you are exempt from Social Security and Medicare taxes.
- A nonresident alien for tax purposes may not file jointly with his or her spouse, unless married to a U.S. citizen, lawful permanent resident, or resident alien. You may then file as a resident alien.
- Only one personal exemption is allowed regardless of family status.
- Nonresidents from India can claim an additional allowance for their spouse and additional allowances for any dependents who have become resident aliens.
- If you are on an F-1 or J-1 visa, receive a non-qualified scholarship, and have no treaty benefit, you will have 14% tax withheld.

Resident Alien (for tax purposes)

- Generally taxed in the same way as a U.S. citizen, unless a treaty benefit can be applied.
- If you are on an F-1 or J-1 visa, a tax treaty may exempt some income from tax. The U.S. has income tax treaties with a number of foreign countries. Under these treaties, residents (not necessarily citizens) of foreign countries are taxed at a reduced rate, or are exempt from U.S. income taxes on certain types of income they receive from sources within the United States. These reduced rates and exemptions vary among countries and specific types of income. The state of Missouri honors tax treaty, but the City of St. Louis does not.
- A resident alien is required to pay Social Security and Medicare taxes.

TAX REPORTING OF WAGE AND STIPEND PAYMENTS

Tax Reporting of Wage and Stipend Payments

Webster University and the Payroll office are unable to provide assistance or advice regarding tax filing.

Nonresident Alien (for tax purposes)

- You will receive a Form W-2 for all wages that were not eligible for a treaty benefit. W-2's are available early January via Employee Self Service.
- You will receive a Form 1042-S for all wages and scholarship/fellowship earnings that were eligible for a treaty benefit, and all scholarship/fellowship earnings without a treaty benefit, but with tax withheld. 1042-S forms are mailed by March 15th.
- You must file a tax return (1040NR or 1040NR-EZ) with the IRS, and with the appropriate state tax office.
- You must file a Form 8843 with your tax return, which can be found at www.irs.gov.
- The Multicultural Center and International Student Affairs (MCISA) hosts several tax workshops each year in March and April to assist international students on F-1 and J-1 visas at Webster University, St. Louis, Missouri campus to file their income taxes in order to be in compliance with U.S. tax laws. However, filing federal income tax forms is the personal responsibility of each international student. There is no fee for this program. See blogs.webster.edu/mcisa/resources/immigration-and-tax-related-links/ for additional information.

Resident Alien (for tax purposes)

- You will receive a Form W-2 for all wages that were not eligible for a treaty benefit. W-2's are available early January via Employee Self Service.
- You will receive a Form 1042-S for all wages that were eligible for a treaty benefit. 1042-S forms are mailed by March 15th.
- If you receive scholarship/fellowship earnings, the University voluntarily provides an annual informational letter reporting likely taxable stipend payments to recipients. This letter is provided by the Tax department and mailed by January 31st.
- Free assistance with tax filing is available at local VITA sites. To find a location that provides this service, call 1-800-829-1040 or consult your local IRS office (www.irs.gov). Resident aliens with income under \$50,000 may be able to use free software available on the IRS website. Look for more information on "Free File."

PAYMENTS TO FOREIGN INDIVIDUALS

The University is required to adhere to Internal Revenue Service (IRS) regulations governing the taxation of payments to nonresident aliens, which differ from those

that govern payments to U.S. citizens and resident aliens.

Nonresident Alien or Resident Alien for Tax Purposes?

There are different tax rules for Tax Residents and Tax Non Residents. In order to meet tax requirements in the United States, all foreign nationals must first determine tax residency status each year. This tax residency status determines how employers can properly withhold taxes, how the individual should complete the W4 withholding allowance form, what income is taxable, which tax forms must be completed for a tax return, and even whether a tax return is required.

PLEASE NOTE: The Internal Revenue Service (IRS) definition of residency is NOT the same as the Immigration (Department of Homeland Security) definition!

IMPORTANT! Webster University uses Foreign National Information System (FNIS) to collect data on visa status and days of presence in the US for all foreign nationals employed at the institution (see above). By activating and completing the data request form in FNIS, the software will automatically calculate your Tax Residency Status and determine whether you must count days under the Substantial Presence Test (see below).

A **nonresident alien** for tax purposes (Tax Non Resident) is defined by the IRS as:

- Anyone who is not a United States citizen nor a United States resident alien (Legal Permanent Resident)

If a non-immigrant is physically present in the US this year for less than 31 days (<31), then they are a non resident for tax purposes this year, regardless of the results of Substantial Presence Test (see below).

If a non immigrant is physically present in the US this year for more than 31 days (>31), follow the Substantial Presence Test formula (see below) to determine Tax Residency Status

A **resident alien** for tax purposes (Tax Resident) is defined by the IRS as anyone who meets one of the following two tests for the calendar year:

- Green Card Test - If at any time during the calendar year you were a lawful permanent resident of the U.S. according to the immigration laws, and this status has not been rescinded or administratively or judicially determined to have been abandoned, you are considered to have met the green card test.
- Substantial Presence Test – To meet the substantial presence test, you must have been physically present in the U.S. on at least 31 days during the current year,

and 183 days during the 3 year period that includes the current year and the 2 prior years.

To satisfy the 183 days requirement, count all of the days you were present in the current year, and 1/3 of the days you were present in the prior year, and 1/6 of the days you were present in the second prior year.

Add:	
100% days this tax year	
+ 1/3 days year prior	
+1/6 days 2 years prior	
Total days of presence =	X
If $X < 183$ days = Nonresident for tax purposes	
If $X \geq 183$ days = Resident for tax purposes	

➤ **“Exempt Individual” Rules and Exceptions (F, J, M, Q visas)**

Do not count days present in the U.S. as an ‘exempt individual’. An ‘exempt individual’ is a person holding a J-1 or F-1 visa, who is in the U.S. to teach, conduct research, or study. If an individual is physically present in the U.S. for any part of the calendar year, that year counts as a full calendar year in determining their status as an ‘exempt individual’.

NOTE: An exempt individual does not count days of presence for the Substantial Presence Test. Students and scholars often get confused by this. In this context, “exempt” does not mean exempt from tax, but simply exempt from counting days for the SPT.

An exempt individual may be anyone in the following categories:

- A teacher or trainee temporarily present in the U.S. with a J or Q visa who substantially complies with the requirements of the visa; or
- A student temporarily present in the U.S. with an F, J, M, or Q visa who substantially complies with the requirements of the visa

After a certain period of time, students and scholars may no longer be exempt individuals and must count days of presence using the Substantial Presence Test. The rules for exemption are different for students (F-1) and scholars (J-1).

➤ **Rules for an individual currently in F-1/M-1/J-1 student status or their dependents:**

- **Can only be an “exempt individual” for FIVE TAX YEARS (looking back to 1st January 1985)**
 - Look at each calendar year separately. (Example: a student enters the US in F-1 status on December 27, 2008 and remains without travelling overseas until May 15, 2009. He has then been an exempt individual for two tax years.)
 - Look at all previous years. If the person has been an “exempt individual” for any part of five tax years, they will not be an “exempt” individual this year. This includes previous time spent as an “exempt” individual in J-1 scholar status, or as an F-2/M-2/J-2 dependent.
 - Do not count any years before 1985.
- **Exempt individual J-1 Non-Student Rules (J-1 Intern, Trainee, Professor, Scholar, or Au Pair)**
- **A J-1 non-student can be an “exempt” individual for only two out of every six years. (See IRS Publication 519.)**
 - For a J-1 non-student who has never been in the US as an “exempt” individual, this means they will be an “exempt” individual for their first two tax years of presence. (NOTE: Arrival in the US for the first time at 11:55 pm on December 31st will use one full year of “exempt” individual status in that brief five minute period.)
 - Time as an “exempt” individual while in F, J, M or Q status (or as a dependent) counts toward the two tax years of “exempt” status for the J-1 non student.
 - **Although SPT only looks back three years, to determine “exempt” individual status requires looking back SIX YEARS.**

**Tax Residency
Calculation Worksheet**

Year	Immigration Status(es) and Dates	Check if “exempt” from counting days	Days Counted for SPT	Days Counted for <i>this</i> year

**Counting Days for Substantial Presence
Counting from January 1st**

From the beginning of the year through	Days in month	Total days since January 1st
January	31	31

February	28	59
March	31	90
April	30	120
May	31	151
June	30	181
July	31	212
August	31	243
September	30	273
October	31	304
November	30	334
December	31	365

Note: For purposes of calculating residency, it is the taxpayer's immigration status that is important and NOT necessarily the visa they used to enter the US. If DHS (formerly INS) has approved a change of status, then it may be necessary to know the date of the approval to know what immigration status the person had on a given day.