

U.S. TAX WITHHOLDING FORMS FOR NONRESIDENT ALIENS

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AGENDA

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- IDENTIFICATION NUMBER (SSN or ITIN)
- WHAT IS MY TAX STATUS?
- HOW DO I KNOW WHICH FORMS TO COMPLETE?
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OVERVIEW

You receive payments from UM for a job and/or fellowship/scholarship



Receive an email from UM Payroll department (uom.taxnav@umich.edu) requesting your data for processing the taxes on your payments. In that email you will log into a website called Foreign National Information (FNIS) to enter this information. If after receiving a payment you have not received an email, contact tax.payroll@umich.edu



Your payments will be taxed correctly according to the information entered via FNIS. If appropriate you will submit paperwork to the UM Payroll department



The payments you receive in the current calendar will be taxed per the information you entered in FNIS. These payments are reported on a Form 1042-S and/or a Form W-2

OVERVIEW

In January and February of 2024 you will receive emails from the UM Payroll department stating that your Forms 1042-S and/or W-2 are ready to be downloaded



You will use these forms to file your United States income tax return (Form 1040-NR). This return is due April 15, 2024.



In February, you will also receive an email from the UM International Center with a link to a website (Glacier Tax Prep) to enter your information and file your United States income tax return

Filing a tax return is required by all F-1 and J-1 international students even if you did not work.

DEFINITIONS

- TAX TREATY – Agreement between two countries to avoid taxing the same income in each country
 - FORM 8233 – Federal form that is used to request a tax treaty exemption for wages
 - The Form 8233 will be completed if you are employed and you are from a tax treaty country when you enter your information in FNIS

APPENDIX III – Page 2

Form **8233**

(Rev. December 2001)

Department of the Treasury
Internal Revenue Service

Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

OMB No. 1545-0795

▶ See separate instructions.

Who Should Use This Form?

Note: For definitions of terms used in this section and detailed instructions on required withholding forms for each type of income, see **Definitions** on pages 1 through 3 of the instructions.

IF you are a nonresident alien individual who is receiving . . .

Compensation for independent personal services performed in the United States

Compensation for dependent personal services performed in the United States

Noncompensatory scholarship or fellowship income and personal services income from the same withholding agent

THEN, if you are the beneficial owner of that income, use this form to claim . . .

A tax treaty withholding exemption for part or all of that compensation and/or to claim the daily personal exemption amount.

A tax treaty withholding exemption for part or all of that compensation.

Note: Do not use Form 8233 to claim the daily personal exemption amount.

A tax treaty withholding exemption for part or all of both types of income.

DO NOT Use This Form. . .

IF you are a beneficial owner who is . . .

Receiving compensation for dependent personal services performed in the United States and you are not claiming a tax treaty withholding exemption for that compensation

Receiving noncompensatory scholarship or fellowship income and you are not receiving any personal services income from the same withholding agent

Claiming only foreign status or treaty benefits with respect to income that is not compensation for personal services

INSTEAD, use . . .

Form W-4

Form W-8BEN or, if elected by the withholding agent, Form W-4 for the noncompensatory scholarship or fellowship income

Form W-8BEN

All highlighted fields must be completed for the Form 8233 to be valid.

This exemption is applicable for compensation for calendar year . . . or other tax year beginning . . . and ending . . .

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual who is the beneficial owner [Redacted]	2 U.S. taxpayer identifying number [Redacted]	3 Foreign tax identifying number, if any (optional)
4 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box. [Redacted]		
City or town, state or province. Include postal code where appropriate. [Redacted]		Country (do not abbreviate) [Redacted]
5 Address in the United States (street, apt. or suite no., or rural route). Do not use a P.O. box. [Redacted]		
City or town, state, and ZIP code [Redacted]		
Note: Citizens of Canada or Mexico are not required to complete lines 7a and 7b.		
6 U.S. visa type [Redacted]	7a Country issuing passport [Redacted]	7b Passport number [Redacted]
8 Date of entry into the United States [Redacted]	9a Current nonimmigrant status [Redacted]	9b Date your current nonimmigrant status expires [Redacted]
10 If you are a foreign student, trainee, professor/teacher, or researcher, check this box <input type="checkbox"/>		

Box checked for student, teacher or researcher. Not independent contractor.

Caution: See the line 10 instructions for the required additional statement you must attach.

DEFINITIONS

- FORM W8-BEN – Federal form that is used to request a tax treaty exemption for scholarship or fellowship
- The Form W8-BEN will be completed if you are receiving fellowship/scholarship payments and you are from a tax treaty country when you enter your information in FNIS

Form W-8BEN

(Rev. February 2006)
 Department of the Treasury
 Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
 ▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:

- A U.S. citizen or other U.S. person, including a resident alien individual Instead, use Form: W-9
- A person claiming that income is effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) W-8ECI or W-8EXP

Note: These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.

- A person acting as an intermediary W-8IMY

Note: See instructions for additional exceptions.

Part I Identification of Beneficial Owner (See instructions.)

<p>1 Name of individual or organization that is the beneficial owner NAME OF Non resident Alien</p>	<p>2 Country of incorporation or organization Individual's country of residence</p>
<p>3 Type of beneficial owner: <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Disregarded entity <input type="checkbox"/> Partnership <input type="checkbox"/> Simple trust <input type="checkbox"/> Grantor trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Estate <input type="checkbox"/> Government <input type="checkbox"/> International organization <input type="checkbox"/> Central bank of issue <input type="checkbox"/> Tax-exempt organization <input type="checkbox"/> Private foundation</p>	
<p>4 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address. City or town, state or province. Include postal code where appropriate. Country (do not abbreviate) </p>	
<p>5 Mailing address (if different from above) City or town, state or province. Include postal code where appropriate. Country (do not abbreviate) </p>	
<p>6 U.S. taxpayer identification number, if required (see instructions) <input checked="" type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN</p>	<p>7 Foreign tax identifying number, if any (optional)</p>
<p>8 Reference number(s) (see instructions)</p>	

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):

a The beneficial owner is a resident of within the meaning of the income tax treaty between the United States and that country.

b If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8533 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

10 Special rates and conditions (if applicable—see instructions): The beneficial owner is claiming the provisions of Article of the treaty identified on line 9a above to claim a 0% % rate of withholding on (specify type of income): Scholarship/Fellowship
 Explain the reasons the beneficial owner meets the terms of the treaty article:
Student at the University of Michigan

Part III Notional Principal Contracts

11 I have provided or will provide a statement that identifies those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- 1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
- 2 The beneficial owner is not a U.S. person.
- 3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, and
- 4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here

Signature of beneficial owner (or individual authorized to sign for beneficial owner)

Date (MM-DD-YYYY)

Capacity in which acting

DEFINITIONS CONTINUED

- WITHHOLDING – Tax that is deducted from any payments made to you
- FEDERAL FORM W-4 – Form used to calculate your Federal withholding

Federal Form W-4

Form W-4 Department of the Treasury Internal Revenue Service	Employee's Withholding Certificate ▶ Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. ▶ Give Form W-4 to your employer. ▶ Your withholding is subject to review by the IRS.		OMB No. 1545-0074 2022	Must have SSN Do not submit without this
Step 1: Enter Personal Information	(a) First name and middle initial <input type="text"/> Last name <input type="text"/>		(b) Social security number <input type="text"/>	
	Address <input type="text"/>		▶ Does your name match the name on your social security card? If not, to ensure you get credit for your earnings, contact SSA at 800-772-1213 or go to www.ssa.gov .	
	City or town, state, and ZIP code <input type="text"/>			
(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying widow(er) <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)				

Fill in name and address using local address

NRA must claim a filing status Single in Step 1 (c)

Federal Form W-4

Step 3: Claim Dependents	If your income will be \$200,000 or less (\$400,000 or less if married filing jointly):		
	Multiply the number of qualifying children under age 17 by \$2,000 ▶	\$ _____	
	Multiply the number of other dependents by \$500 ▶	\$ _____	
	Add the amounts above and enter the total here		3 \$ _____
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs). If you want tax withheld for other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, dividends, and retirement income		4(a) \$ _____
	(b) Deductions. If you expect to claim deductions other than the standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here		4(b) \$ _____
	(c) Extra withholding. Enter any additional tax you want withheld each pay period		4(c) \$ _____

Nonresident Alien (NRA)

Step 5: Sign Here	Under penalties of perjury, I declare that this certificate, to the best of my knowledge and belief, is true, correct, and complete.		
	▶ _____ Employee's signature (This form is not valid unless you sign it.)		▶ _____ Date
Employers Only	Employer's name and address	First date of employment	Employer identification number (EIN)
	_____	_____	_____

Make sure to sign and date

Must state Nonresident alien (NRA) below Step 4 (c)

US Tax Forms

- All forms, Form 8233 and attachment, Form W-8BEN and W-4 and will be produced by the Foreign National Information (FNIS) website after you have entered your information.

DEFINITIONS CONTINUED

- FORM 1042-S – Reports income received and tax withheld for a calendar year on
 - wage payments made to employees who claimed tax treaty benefits
 - payments of fellowship/scholarship income
 - available to be downloaded in FNIS in February
- FORM W-2 – Reports income received and tax withheld for a calendar year on
 - wage payments made to employees not covered by a tax treaty
 - wage payments to employees who claimed tax treaty benefits who also earned more income than your countries tax treaty
 - available to be downloaded in Wolverine Access in January

IDENTIFICATION NUMBER (SSN or ITIN)

- Social Security Number (SSN) – Nine digit number issued by U.S. government that is required if you are an employee. Must have SSN before submitting Form 8233 or W8-BEN. Must go to the Social Security office to apply.
- Individual Taxpayer Identification Number (ITIN) – Nine digit number issued by U.S. government if you are not eligible for a SSN. An ITIN or SSN is required before submitting Form W8-BEN. If you are from a tax treaty country you can apply for an ITIN up until October 15th for tax treaty benefits. If you are not from a tax treaty country you can apply until November 5th.

IDENTIFICATION NUMBER (SSN or ITIN)

- If you receive an Individual Taxpayer Identification Number (ITIN) and later receive a Social Security Number (SSN) stop using your ITIN and use only your SSN going forward.

WHAT IS MY TAX STATUS?

If this is your first year in the United States your tax status is a nonresident alien

If this is not your first year in the United States, your tax status is determined by the information you enter in FNIS or if requested on your Alien Certificate form

Anyone who is NOT a US citizen should complete their information in FNIS

Tax status is not the same as immigration status, you may be a nonresident alien for immigration purposes but a resident alien for tax purposes.

WHAT IS MY TAX STATUS?

When will my tax status change?

- Typically any student (F-1/J-1 Visa) who stays for more than 5 calendar years



WHAT IS MY TAX STATUS?

In the future you should update your information in FNIS again if any of the following apply:

1. You change visa/immigration status (example: from F-1 to J-1)
2. You leave the United States for a year or more and then return to the United States
3. You become a permanent resident (receive a green card)

HOW DO I KNOW WHICH FORMS TO COMPLETE?



The forms you should complete is determined by your primary purpose for coming to the United States.

- One or more of the following categories could apply to you:
 - STUDENT WITH EMPLOYMENT (blue packet)
 - STUDENT WITH SCHOLARSHIP/FELLOWSHIP (yellow packet)
- Packets available on International Center and Payroll website's

HOW DO I KNOW WHICH FORMS TO COMPLETE?

■ ANSWER – STUDENT EMPLOYMENT

The blue packet contains examples of the following forms that will be produced by FNIS

- Form 8233 (2 pages)
- Form 8233 attachment
- Form W4

Student Employment

You are a Student here with a job?



Receive an email from UM Payroll office
to enter your information in FNIS
The subject of that email is U of M Data
Request NRA Tax Analysis



Student Employment

Do you have a Social Security Number?

NO

You will have to go to the Social Security office located at 3971 S. Research Park Dr. in Ann Arbor to apply for a social security number. Please complete your paperwork **after** you receive this number.



YES

Go to next step.



Student Employment

Enter your information in the FNIS website.
Link included in email you received from UM
Payroll office

If you have received a payment, obtained
your SSN and have not received an email to
enter your information in FNIS email
tax.payroll@umich.edu for your login data



Student Employment

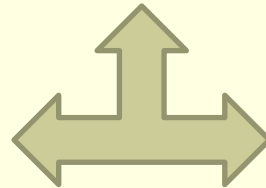
After entering your information you will receive an email from the UM Payroll office notifying you that either corrections are needed to your information or your information was approved.

- 1) If corrections are needed we ask that you go in to the FNIS website and update and correct information and this will be reviewed again
- 2) If approved you will print and sign all applicable forms and submit to the UM Payroll office



Student Employment

Am I a resident of a treaty country?



NO

The form to submit to UM Payroll office is the Federal Form W-4

YES

The forms to submit to UM Payroll office are the Federal Form W-4, Form 8233 and attachment.



Student Employment




After entering your information in FNIS please email, mail or fax any documents to the Payroll office as soon as possible.

If you are **not** a resident of a treaty country you will send the Payroll office:

- 1) Immigration Status Data from FNIS
- 2) If you are a J-1 visa holder, a copy of your DS-2019
- 3) Form Federal W-4

If you **are** a resident of a treaty country you will send the Payroll Office:

- 1) Immigration Status Data from FNIS
 - 2) If you are a J-1 visa holder, your DS-2019
 - 3) Form Federal W-4
 - 4) Form 8233 and attachment.
- 

Student Employment

If you are from a tax treaty country, in February of next year you will receive an email to that your Form 1042-S has been mailed, and possibly also in January receive an email that your Form W-2 is ready to be downloaded.

If you are not from a treaty country, you will only receive an email to download your Form W-2 in January.

The 1042-S and W-2 forms summarize your income received for the year.

You will use these forms to file your United States income tax return (Form 1040-NR). Use the tax software 'Glacier Tax Prep' that can be found on the International Center's website to enter your information and print your forms. The income tax return is due April 15th 2024.

HOW DO I KNOW WHICH FORMS TO COMPLETE?


- ANSWER: SCHOLARSHIP/FELLOWSHIP

The yellow packet contains examples of the following form that will be produced by FNIS

- W8-BEN


Scholarship/Fellowship

Are you receiving a Scholarship or Fellowship?



Receive an email from UM Payroll office to enter your information in FNIS
The subject of that email is U of M Data Request NRA Tax Analysis

If you have received your first payment and have not received an email to enter your information in FNIS email tax.payroll@umich.edu for your login data



Scholarship/Fellowship

After entering your information you will receive an email from the UM Payroll office notifying you that either corrections are needed to your information or your information was approved.

- 1) If corrections are needed we ask that you go in to the FNIS website and update and correct information and this will be reviewed again
- 2) If approved you will print and sign all applicable forms and submit to the UM Payroll office

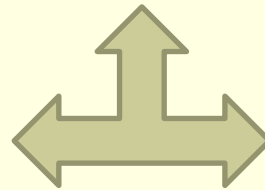


Scholarship/Fellowship

Am I a resident of a treaty country?

NO

If you do not have a SSN apply for an ITIN through the Payroll office by Oct 31st.



YES

If you are from a tax treaty country and you do not have a SSN apply for an ITIN through the Payroll office by Oct 15th.



Scholarship/Fellowship

You will apply for an ITIN by completing the Form W-7.

You must make an appointment with the Payroll office and complete the Form W-7 there. If you are from a tax treaty country you can bring your Form W-8 BEN at this time. All applicants bring your passport, Visa, I-94 and I-20 or DS-2019 to the appointment.

Contact the Payroll Tax staff, Le'Tia Johnson, Dominique Curry and Mwaka Fishwick at tax.payroll@umich.edu to make an appointment to submit paperwork.



Scholarship/Fellowship




After entering your information in FNIS please email, mail or fax any documents to the Payroll office as soon as possible.

If you are **not** a resident of a treaty country you will send the Payroll office:

- 1) Immigration Status Data from FNIS
- 2) and if you want to apply for an ITIN make appointment with the payroll office to complete ITIN (Form W-7) application by Oct 31st.

If you **are** a resident of a treaty country you will send the Payroll Office:

- 1) Immigration Status Data from FNIS
 - 2) If you are a J-1 visa holder, a copy of your DS-2019
 - 3) Form W-8BEN
and if you need an ITIN
 - 4) Make appointment with the payroll office to complete ITIN (Form W-7) application by Oct 15th.
- 

Scholarship/Fellowship

All recipients of scholarship/fellowship payments, whether you are from a tax treaty country or not will receive an email in February that your Form 1042-S has been mailed.

The 1042-S form summarizes your income received for the year.

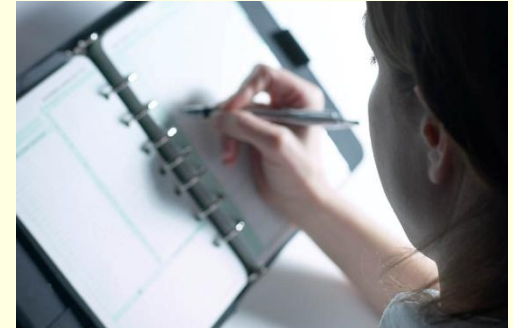
You will use this form to file your United States income tax return (Form 1040-NR). Use the tax software 'Glacier Tax Prep' that can be found on the International Center's website to enter your information and print your forms. The income tax return is due April 15th 2024.

WHAT TO EXPECT FROM PAYROLL AT YEAR END

- Tax Form 1042-S – This form is for:
 - a person receiving wages and claiming a tax treaty
 - a person receiving scholarship income whether or not claiming a treaty

If you have both wages and received scholarship income you will get two 1042S forms at year end.

The 1042S form is available in early February. (you will be notified by email when it has been mailed)



WHAT TO EXPECT FROM PAYROLL (cont'd)

- ■ Tax Form W2 – This form is for:
 - a person receiving wages that are not covered by a tax treaty.
 - a person receiving wages and claiming a tax treaty who has earned more income than your country's tax treaty limit. (you will receive both a 1042-S form and W2 form)
- The form is available online in mid-January (you will be notified by email when available)
- Renew Form 8233 each year – An email notice will be sent in November for 2024 renewal. Enter this information in FNIS and submit your 2024 Form 8233 to the UM Payroll office by December 15th. The 2024 form MUST be received by the UM Payroll office by December 15th 2023 to be effective January 1st.

RESOURCES

- Payroll Tax Area email tax.payroll@umich.edu
- Leslie Brown – Payroll Manager
leslibro@umich.edu (734) 647-3964
- Kim Hassan– Payroll Tax Supervisor
khassan@umich.edu (734) 936-3512
- Mwaka Fishwick – Payroll Tax Specialist
mnamfukw@umich.edu (734) 764-1485
- Le'Tia Johnson – Payroll Tax Specialist
letiaaw@umich.edu (734) 763-2661
- Dominique Curry – Payroll Tax Specialist
cdominiq@umich.edu (734) 763-6106
- Email questions to tax.payroll@umich.edu
- www.payroll.umich.edu
- www.irs.gov