STUDENT EXAMPLE - EMPLOYMENT

Maria Santiago – Student from Spain

As a student at the University of Michigan, you may be receiving one or both of the following types of payments:

- scholarship and/or fellowship
- wages from employment at the University

Enter information in Foreign International Information (FNIS) website and submit the following forms to the Payroll office if you are a student with employment:

1. Form W-4 – Federal withholding tax form
2. If you are a resident of a tax treaty country (see attached list) and have a Social Security Number (SSN)
   a. Form 8233
   b. Form 8233 attachment for students
3. Immigration Status Data form from FNIS

You must have an SSN to file Form W-4 and/or to claim a tax treaty exemption. You can apply for an SSN at the Social Security Administration (SSA) office located at 3971 S. Research Park Drive, Ann Arbor, MI 48108. We cannot process Form 8233 or Forms W-4 unless you have an SSN.

You MUST submit a new Form 8233 to the Payroll Office at the beginning of each calendar year for the length of your treaty. A reminder email will be sent to you in November to submit a new Form 8233 for the next year. You do NOT need to submit a new Form W-4 each year.

You will receive a Form 1042-S and/or a Form W-2 in February to be used when filing Form 1040-NR (United States federal tax return). Please consider using the Glacier Tax Prep software program to prepare your annual tax returns. It is available at the International Center’s website at http://internationalcenter.umich.edu/taxes/taxsoftware.html

CHECKLIST FOR STUDENTS WITH EMPLOYMENT

☐ Apply for and receive an SSN
☐ Enter information in the Foreign International Information (FNIS) website.
☐ Print out Form W-4
☐ J-1 visa holders must submit a copy of their DS-2019
☐ Print out Form 8233 and Form 8233 attachment for students (if a resident of a tax treaty country)
☐ Send forms to the Payroll Office by one of these methods:
   1. Have your department submit the forms
   2. Email forms to tanesmcl@umich.edu, ashlbrow@umich.edu or kellyesk@umich.edu
   3. Fax forms to the Payroll Office - (734) 647-3983
   4. Send forms to the Payroll Office - 3003 S. State Street, G395
      Ann Arbor, MI 48109-1279
   5. Drop off forms at the Payroll Office in Wolverine Tower
### Countries with Tax Treaty Provisions Relating to Students with Wages

**Effective 8/5/11**

<table>
<thead>
<tr>
<th>Country</th>
<th>Tax Treaty Limit</th>
<th>Tax Year Limit</th>
<th>Attachment Form</th>
<th>Tax Treaty Article #</th>
<th>Special Restrictions (see below)</th>
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<tr>
<td>Bangladesh</td>
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<td>b, h</td>
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<td>21(1)</td>
<td>b</td>
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</tbody>
</table>

See Special Restrictions on next page
Special Restrictions (Student)

a. According to the treaty the Tax Year Limit starts with the date of entry and continues forward X number of years into the future. Therefore a partial year does not count as a full year. If within the treaty time limit, the individual may claim tax treaty benefits even if he/she qualifies as a resident alien for tax purposes. Not applicable if individual is in permanent resident or immigrant status.

b. According to the treaty the Tax Year Limit counts a partial year as 1 full tax year.

c. The treaty has a $10,000 annual limit including income from all U.S. sources. If exceeded, the entire amount is taxable for the year.

d. The tax treaty with the People's Republic of China does not include residents of Hong Kong or Taiwan

e. Students may use an otherwise unlimited treaty for a maximum of 6 years at the University of Michigan.

f. If the student remains in the U.S. for more than 4 years, earnings are taxed retroactively.

g. If claiming back-to-back student/teacher, 5 year total limit on treaty benefits.

h. Student & teacher benefits may not be claimed back-to-back without re-establishing home country residency. It takes 365 days to re-establish residency.

i. Students from Barbados, Hungary and Jamaica can elect to be treated as a resident alien for tax purposes.

DISCLAIMER

All information provided in official University of Michigan Web sites is provided for information purposes only and does not constitute a legal contract between the University and any person or entity unless otherwise specified. Information on these web sites is subject to change without prior notice. Although every reasonable effort is made to present current and accurate information, the University of Michigan makes no guarantees of any kind.

This information is not a substitute for advice obtained from the Internal Revenue Service or a qualified tax professional. If you believe you have complicated tax issues please consult the Internal Revenue Service or a qualified tax professional.

G:\ADMINDOC\Tax Treaty Table\Student Wage Treaty Countries 08-5-11.doc, 08/5/11
**Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual**

**Who Should Use This Form?**

| Compensation for independent personal services performed in the United States | A tax treaty withholding exemption for part or all of that compensation and/or to claim the daily personal exemption amount. |
| Compensation for dependent personal services performed in the United States | 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. |
| Noncompensatory scholarship or fellowship income and personal services income from the same withholding agent | A tax treaty withholding exemption for part or all of both types of income. |

**DO NOT Use This Form...**

| Receiving compensation for dependent personal services performed in the United States and you are not claiming a tax treaty withholding exemption for that compensation | Form W-4 (See page 2 of the Instructions for Form 8233 for how to complete Form W-4.) |
| Receiving noncompensatory scholarship or fellowship income and you are not receiving any personal services income from the same withholding agent | Form W-8BEN, or, if elected by the withholding agent, Form W-4 for the noncompensatory scholarship or fellowship income |
| Claiming only foreign status or treaty benefits with respect to income that is not compensation for personal services | Form W-8BEN |

This exemption is applicable for compensation for calendar year 2018, or other tax year beginning .......................... and ending .................................

**Part I Identification of Beneficial Owner (See instructions.)**

| 1 Name of individual who is the beneficial owner | 2 U.S. taxpayer identifying number | 3 Foreign tax identifying number, if any (optional) |
| Maria Santiago | 012-34-5555 |  |

**Address**  
82 Mariposa  
City or town, state or province. Include postal code where appropriate.  
Country (do not abbreviate)  
Madrid  
Spain

610 Maple Street  
City or town, state, and ZIP code  
Ann Arbor, MI 48103  
**Note:** Citizens of Canada or Mexico are not required to complete lines 7a and 7b.

| 6 U.S. visa type | 7a Country issuing passport | 7b Passport number |
| F-1 | Spain | S912345678 |

| 8 Date of entry into the United States | 9a Current nonimmigrant status | 9b Date your current nonimmigrant status expires |
| August 18, 2018 | Student F-1 |  |

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

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.
Part II  Claim for Tax Treaty Withholding Exemption and/or Personal Exemption Amount

11 Compensation for independent (and certain dependent) personal services:
   a Description of personal services you are providing Teaching Assistant

   b Total compensation you expect to be paid for these services in this calendar or tax year $ 7,000.00

12 If compensation is exempt from withholding based on a tax treaty benefit, provide:
   a Tax treaty and treaty article on which you are basing exemption from withholding US/Spain Tax Treaty Article 22 (1)

   b Country of permanent residence Spain

   Note: Do not complete lines 13a through 13c unless you also received compensation for personal services from the same withholding agent.

13 Noncompensatory scholarship or fellowship income:
   a Amount $ ____________

   b Tax treaty and treaty article on which you are basing exemption from withholding

   c Total income listed on line 13a above that is exempt from tax under this treaty $ 5,000.00

14 Sufficient facts to justify the exemption from withholding claimed on line 12 and/or line 13 (see instructions)

   Note: Lines 15 through 18 are to be completed only for certain independent personal services (see instructions).

15 Number of personal exemptions claimed ▶

16 How many days will you perform services in the United States during this tax year? ▶

17 Daily personal exemption amount claimed (see instructions) ▶

18 Total personal exemption amount claimed. Multiply line 16 by line 17 ▶

Part III  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:

• I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
• The beneficial owner is not a U.S. person.
• The beneficial owner is a resident of the treaty country listed on line 12a and/or 13b above within the meaning of the income tax treaty between the United States and that country.

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 ▶ Maria Jones ▶ 8/31/2018

Part IV  Withholding Agent Acceptance and Certification

Name

Address (number and street) (Include apt. or suite no. or P.O. box, if applicable.)

City, state, and ZIP code

Employer identification number

Telephone number

Under penalties of perjury, I certify that I have examined this form and any accompanying statements, that I am satisfied that an exemption from withholding is warranted, and that I do not know or have reason to know that the nonresident alien individual is not entitled to the exemption or that the nonresident alien’s eligibility for the exemption cannot be readily determined.

Signature of withholding agent ▶

Date ▶
CERTIFICATION FOR WITHHOLDING EXEMPTION FOR FORM 8233

NAME: MARIA SANTIAGO
Taxpayer Identification Number: 
TAX YEAR: 2018 
COUNTRY OF TAX RESIDENCE: SPAIN

I was a resident of the SPAIN on the date of my arrival in the United States. I am not a U.S. citizen. I have
not been lawfully accorded the privilege of residing permanently
in the United States as an immigrant.

I am present in the United States solely for the purpose of my
education or training.

I will receive compensation for personal services performed in
the United States. This compensation qualifies for exemption
from withholding of federal income tax under the tax treaty
between the United States and the SPAIN, an amount not in excess of $5,000 for any tax year.

I arrived in the United States on 01/01/2018. I am claiming this exemption only for such period of time as is reasonably
necessary to complete the education or training.

Under the penalties of perjury, I declare that to the best
of my knowledge and belief, the above statements are true,
correct, and complete.

Signed: [Signature]

Date: 8/31/2018

MARIA SANTIAGO
123 Main Street
Ann Arbor, MI 48109
Form W-4 (2018)

Future developments. For the latest information about any future developments related to Form W-4, such as legislation enacted after it was published, go to www.irs.gov/FormW4.

Purpose. Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

Exemption from withholding. You may claim exemption from withholding for 2018 if both of the following apply:

* For 2017 you had a right to a refund of all federal income tax withheld because you had no tax liability, and
* For 2018 you expect a refund of all federal income tax withheld because you expect to have no tax liability.

If you're exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2018 expires February 15, 2018. See Pub. 505, Tax Withholding and Estimated Tax, to learn more about whether you qualify for exemption from withholding.

General Instructions

If you aren't exempt, follow the rest of these instructions to determine the number of withholding allowances you should claim for withholding for 2018 and any additional amount of tax to have withheld. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages. You can also use the calculator at www.irs.gov/W4App to determine your tax withholding more accurately. Consider using this calculator if you have a more complicated tax situation, such as if you have a working spouse, more than one job, or a large amount of nonwage income outside of your job. After your Form W-4 takes effect, you can also use this calculator to see how the amount of tax you're having withheld compares to your projected total tax for 2018. If you use the calculator, you don't need to complete any of the worksheets for Form W-4.

Note that if you have too much tax withheld, you will receive a refund when you file your tax return. If you have too little tax withheld, you will owe tax when you file your tax return, and you might owe a penalty.

Withholding for multiple jobs or working spouses. If you have more than one job at a time, or if you're married and your spouse is also working, read all of the instructions including the instructions for the Two-Earners/Multiple Jobs Worksheet before beginning.

Nonwage income. If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. Or, you can use the Deductions, Adjustments, and Credits Worksheet on page 3 of the calculator at www.irs.gov/W4App to make sure you have enough tax withheld from your paycheck. If you have pension or annuity income, see Pub. 505 or use the calculator at www.irs.gov/W4App to find out if you should adjust your withholding on Form W-4 or W-4P.

Nonresident alien. If you're a nonresident alien, see Notice 13922, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

Specific Instructions

Personal Allowances Worksheet

Complete this worksheet on page 3 first to determine the number of withholding allowances to claim.

Line C. Head of household please note: Generally, you can claim head of household filing status on your tax return only if you're unmarried and pay more than 50% of the costs of keeping up a home for yourself and a qualifying individual. See Pub. 501 for more information about filing status.

Line E. Child tax credit. When you file your tax return, you might be eligible to claim a credit for each of your qualifying children. To qualify, the child must be under age 17 as of December 31 and must be your dependent who lives with you for more than half the year. To learn more about this credit, see Pub. 972, Child Tax Credit. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line E of the worksheet. On the worksheet you will be asked about your total income. For this purpose, total income includes all of your wages and other income, including income earned by a spouse, during the year.

Line F. Credit for other dependents. When you file your tax return, you might be eligible to claim a credit for each of your dependents that don't qualify for the child tax credit, such as any dependent children age 17 and older. To learn more about this credit, see Pub. 505. To reduce the tax withheld from your pay by taking this credit into account, follow the instructions on line F of the worksheet. On the worksheet you will be asked about your total income. For this purpose, total income includes all of
Example of the year-end form you will receive in 2019 from the University of Michigan.

The 1042-S form summarizes the income paid to you in 2018 covered under your country's tax treaty. The 1042-S form will be available to be downloaded in early February.

You will use the information from the 1042-S form when completing your United States (Federal) income tax return (Form 1040-NR).
**Example of the year-end form you will receive in 2019 from the University of Michigan.**

The W-2 form summarizes the income paid to you in 2018 that is not covered under your country’s tax treaty because your 2018 earnings were over your country’s tax treaty limit. For example, the US/Spain tax treaty exempts the first $5,000.00 of income from taxes, that first $5,000.00 of income is reported on the Form 1042-S and any earnings over $5,000.00 are reported on the Form W-2. The W-2 form can be downloaded in Wolverine Access the second week of January.
Student Employment

You are a Student here with a job?

Yes

Receive an email from UM Payroll office to enter your information in FNIS

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. Ann Arbor, MI to apply for a social security number. You can ride the AATA bus to get to the office. Please complete all of your paperwork after you receive this number.

YES

Go on to the next step.

Enter your information in the FNIS system

Am I a resident of a treaty country?

NO

After review of your forms by the UM Payroll office you will print out paperwork, Immigration Status Data and W-4 form and submit to Payroll office

YES

After review of your forms by the UM Payroll office you will print out paperwork, Immigration Status Data, W-4 form, Form 8233 and attachment and submit to Payroll office

In January of next year you will receive an email to download your Form W-2, and possibly also a Form 1042-S which will summarize your income received for the year. You will use these forms to file your United States (Federal) Income tax return (Form 1040-NR). Use the tax software Glade 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 15, 2019.
If you are unable to print the forms in the FNIS website, forms are located on the UM Payroll website at:

www.payroll.umich.edu, scroll down the page and click on the link ‘Foreign Students, Faculty & Staff’, then click on ‘Required Tax Forms’, under ‘Student Employees’ you will find the Alien Certificate, Form 8233 and attachment, and Forms W-4 & MI W-4 to complete.

Contacts:

Leslie Brown
Payroll Manager
(734) 647-3964
leslibro@umich.edu

Kim Hassan
Payroll Tax Supervisor
(734) 936-3512
khassan@umich.edu

Taniesha McLaughlin
Payroll Clerk Senior
(734) 764-1485
tanemcl@umich.edu

Ashley Brown
Payroll Clerk
(734) 763-6106
ashlbrow@umich.edu

Kellye Knowles
Payroll Clerk
(734) 763-2661
kellyesk@umich.edu

Payroll website:
www.payroll.umich.edu

Please complete the workshop evaluation