

Tax Facts

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Non-Resident International Students

Let's Talk Tax

AN INFORMATIVE GUIDE TO TAX ISSUES & THE F1-VISA STUDENT

1. Every International student receiving taxable income is required to have a Social Security Number or an ITIN (Individual Taxpayer Identification Number) if they are not eligible for a Social Security Number.
2. No one is allowed to begin working without a social security number.
3. Scholarships from U.S. sources that apply towards payment of room and board are considered taxable income.
4. All wages are considered taxable income.
5. Taxable means "subject to tax". When money is taxable you may or may not owe withholding tax on that income.
6. When a tax treaty between your country of origin and the United States is in place, the amount of tax owed on taxable income *may* be reduced.
7. Tax treaty exemptions are NOT AUTOMATIC. You must complete the appropriate forms to be considered exempt from withholding tax.
8. Students present in the United States on an F1 or J1 Visa for the purpose of seeking a higher education degree are exempt from the substantial presence test with the completion of form 8843. They are not required to pay FICA or MEDICARE taxes.
9. All international students receiving taxable income from sources within the United States are required to complete an annual tax return.

Be Responsible.

- Get A Social Security Number or ITIN.
- Complete the Proper Forms
- Ask questions.



MERCER
UNIVERSITY

Payroll Services
1206 College Street
Macon, GA 31207

Phone: 478-301-2699
Fax: 478-301-2256
www.mercer.edu/payroll/

3.
→ DO YOU PLAN TO GET A JOB AT MERCER UNIVERSITY?

YES

Inquire about jobs with Career Services and the International Student Office about getting a social security number. Go on to Question 4.

NO

Even without scholarships or earned income, you may still need an ITIN. Refer to Publication 519 for additional help or search the IRS website at www.irs.gov

4.
IF YOU ANSWERED YES TO QUESTION 3, DOES YOUR COUNTRY HAVE A TAX TREATY WITH THE U.S. FOR WAGES?
(SEE THE LIST ON PAGE 6)

YES

If you would like to take advantage of treaty benefits, you will need to report to Payroll Services and complete an 8233 form after securing employment.

NO

You may complete a W4NR form in the Payroll Office that will allow you to take a “personal exemption” during the tax year rather than at the end. Otherwise, you will need to complete your W4 electing single w/one exemption + \$7.60 per week.



1. DO YOU GET U.S. SCHOLARSHIPS TO HELP YOU PAY FOR ROOM AND BOARD AT MERCER?

YES

You need to have an ITIN (or a Social Security #).
Go on to Question 2.

NO

Skip to question 3.

2. IF YOU ANSWERED YES TO QUESTION 1, DOES YOUR COUNTRY HAVE A TAX TREATY WITH THE U.S.?(SEE THE LIST ON PAGE 7)

YES

You need to complete a W8-BEN form. Go on to Question 3.

NO

You may complete a W4NR form. Go on to Question 3.

Go on to question 3.

Apply for an Identifying Number

According to IRS Publication 515 “any recipient whose income is effectively connected with a U.S. business” must obtain a taxpayer identification number (when they do not qualify for a social security number).

If you are a nonresident alien temporarily admitted to the United States as a student, you generally are not permitted to work for a wage or salary or to engage in business while you are in the United States in which case you would not qualify for a social security number. However, in some cases, a student admitted to the United States in “F-1,” “M-1,” or “J-1” status is granted permission to work.

1) The U.S. Citizenship and Immigration Services (USCIS) permits on-campus work for students in “F-1” status if it does not displace a U.S. resident. On-campus work means work performed on the school’s premises. On-campus work includes work performed at an off-campus location that is educationally affiliated with the school. On-campus work under the terms of a scholarship, fellowship, or assistantship is considered part of the academic program of a student taking a full course of study and is permitted by the USCIS. In this case, the educational institution endorses the Form I-20. Social security and Medicare taxes are not withheld from pay for this work unless the student is considered a resident alien.

2) Employment due to severe economic necessity and for optional practical training is sometimes permitted for students in “F-1” status. Students granted permission to work due to severe economic necessity or for optional practical training will be issued Form I-688B or Form I-766 by the USCIS. Social security and Medicare taxes are not withheld from pay for this work unless the student is considered a resident alien.

Social security number (SSN). Generally, you can get an SSN if you are eligible to work have secured a campus job. *See page 2 for more detailed information* To apply for this number, get Form SS-5 “Application for a Social Security Card” from your local Social Security Administration office (477-7950) or call the SSA at 1-800-772-1213. You can also download Form SS-5 from the SSA website at www.socialsecurity.gov/onliness-5.html. You must visit an SSA office in person and submit your Form SS-5 along with original documentation showing your age, identity, immigration status, and authority to work in the United States. If you are an F-1 or M-1 student, you must also show your Form I-20. If you are a J-1 exchange visitor, you will also need to show your Form DS-2019. Generally, you will receive your card about 2 weeks after the SSA has all of the necessary information.

Individual taxpayer identification number (ITIN). If you do not have and are not eligible to get an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. It usually takes about 4–6 weeks to get an ITIN. If you already have an ITIN, enter it wherever a SSN is required on your tax return.

The information presented above is from www.IRS.gov



Social Security Administration

How to apply for a Social Security number

Applying for a Social Security number and card is free. When you apply for a Social Security number at a Social Security office, you must complete Form SS-5, *Application for a Social Security Card*, and provide the necessary documents. All documents must be either originals or copies certified by the issuing agency. They cannot accept photocopies or notarized copies of documents. Here are some examples of the documents you must bring.

Age

A birth certificate is generally the best evidence of age, and must be presented if it is in your possession or can easily be obtained. If not, they can consider other documents, such as your passport or a document issued by DHS, to prove your age.

Identity

SSA must see a document other than your birth certificate that shows the name you want on your Social Security card. They prefer a recently issued document with a photograph, such as your passport, or a document issued by DHS.

Immigration status

SSA needs to see the DHS document, I-94, *Arrival/Departure Record*, issued to you when you arrived in the United States showing your lawful immigration status. If you are an F-1 or M-1 student, they **also** need to see your I-20A-B, *Certificate of Eligibility for Nonimmigrant Student Status*. If you are a J-1 student, they need to see your DS-2019, *Certificate of Eligibility for Exchange Visitor (J-1) Status*.

Eligibility to work

If you are an F-1 student and eligible to work on campus, you must provide a letter from your designated school official that identifies your employer and the type of work you are, or will be, doing. SSA also needs to see evidence of that employment, such as a recent pay slip or a letter from your employer.

Countries with Tax Treaty Provisions

for Non-Resident Students:

TREATIES WITH PROVISIONS FOR ROOM & BOARD SCHOLARSHIPS:

TO ACCEPT TREATY ELIGIBILITY STUDENT MUST COMPLETE FORM W8BEN

BELGIUM 21(1)	MORROCO 18
CHINA 20(b)	NETHERLANDS 22(2)
COMMONWEALTH VI(1)	NORWAY 16(1)
CYPRUS (21)1	PHILLIPINES 22(1)
CZECH REPUBLIC 21(1)	POLAND 18(1)
EGYPT 23(1)	PORTUGAL 23(1)
ESTONIA 20(1)	ROMANIA 20(1)
FRANCE 21(1)	RUSSIA 18
GERMANY 20(3)	SLOVAK REPUBLIC 21(1)
ICELAND 22(1)	SLOVENIA 20(1)
INDONESIA 19(1)	SPAIN 22(1)
ISRAEL 24(1)	THAILAND 22(1)
KAZAKSTAN 19	TRINIDAD & TOBAGO 19(1)
KOREA 21(1)	TUNISIA 20
LATAVIA 20(1)	UKRAINE (20)
LITHUANIA 20(1)	VENEZUELA 21(1)

Countries with Tax Treaty Provisions

for Non-Resident Students:

TREATIES WITH PROVISIONS FOR COMPENSATION DURING TRAINING:

TO ACCEPT TREATY ELIGIBILITY STUDENT MUST COMPLETE FORM 8233

BELGIUM 21(1)	● LUXEMBOURG 21(1)
CHINA 20(c)	MORROCO 18
● COMMONWEALTH VI(I)	NETHERLANDS 22(1)
CYPRUS (21)1	NORWAY 16(1)
CZECH REPUBLIC 21(1)	PAKISTAN XIII(1)
EGYPT 22(1)	PHILLIPINES 22(1)
ESTONIA 20(1)	POLAND 18(1)
FRANCE 21(1)	PORTUGAL 23(1)
GERMANY 20(4)	ROMANIA 20(1)
ICELAND 22(1)	SLOVAK REPUBLIC 21(1)
INDONESIA 19(1)	SLOVENIA 20(1)
ISRAEL 24(1)	SPAIN 22(1)
KOREA 21(1)	THAILAND 22(1)
LATAVIA 20(1)	TRINIDAD & TOBAGO 19(1)
LITHUANIA 20(1)	TUNISIA 20
	VENEZUELA 21(1)

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- Refers to remittances or allowances-not *earned* service income

The letter must describe your job, your employment start date, the number of hours you are, or will be, working, and your supervisor's name and telephone number. The letter must be signed by your supervisor and dated.

If you are an F-1 student authorized to work in curricular practical training, you must provide SSA your Form I-20A-B with the employment page (page 3) completed and signed by your school's designated school official.

If you are an F-1 or M-1 student and are authorized to work off campus, you must provide SSA with the Employment Authorization Document you received from DHS.

If you are a J-1 student, you must provide a letter from your sponsor. The letter should be on sponsor letterhead with an original signature that authorizes your employment.

How long will it take to get a Social Security number?

SSA must verify your documents with DHS before they assign a Social Security number to you. They will assign you a Social Security number and issue a card within two weeks of receiving the verification from DHS. Most of the time, they can verify your documents quickly with DHS online. If your documents cannot be verified online, it may take DHS several weeks to respond to their request. They are working closely with DHS to reduce these delays.

Do I need a Social Security number before I start working?

SSA does not require you to have a Social Security number before you start to work, but the **Internal Revenue Service** requires employers to report wages using the Social Security number. While you wait for your Social Security number, your employer can use a letter from us stating that you applied for a number. You can also give your employer a copy of the fact sheet, *Employer Responsibilities When Hiring Foreign Workers*.

Contacting Social Security

For more information and to find copies of our publications, visit their website at www.socialsecurity.gov or call toll-free, **1-800-772-1213** (for the deaf or hard of hearing, call our TTY number, **1-800-325-0778**). They can answer specific questions and provide information by automated phone service 24 hours a day.

SSA treats all calls confidentially. They also want to make sure you receive accurate and courteous service. That is why they have a second Social Security representative monitor some telephone calls.

Complete the Proper Forms

W8-BEN If your country *has a tax treaty* with the United States and you get scholarships that help to pay for room and board, you need to complete this form. (refer to the list on page 7 of this booklet)

W4NR If your country *has no tax treaty* with the United States and you get scholarships that help to pay for room and board, you need to complete this form. You will also complete this form if you are hired as a student employee on the campus.

8233 If your country *has a treaty* with the United States and you get a job as a student worker at Mercer University, you will want to complete this form. The 8233 allows you to take advantage of the reduced tax rate your country has negotiated with the United States. (refer to the list on page 6 of this booklet)

I9 If you are hired as a student worker, this form will need to be completed before you ever begin work. The I9 lets us know that you are legally eligible for employment.

8843 If you are a student attending college on an F1 or J1 Visa, you are required to complete the 8843 Form which exempts you from the substantial presence test. Being exempt from this test means you would not be required to file a return as a *resident alien* who 's worldwide income is taxable. Attach a copy of this form to your return. If you are not required to complete a tax return, mail this form alone before April 15 each year.

1040NREZ is a federal tax return filed for each calendar year before April 15 of the following year.

Georgia **FORM500EZ** is the state tax return.

Need assistance? Call Payroll Services @ x2809

Schedule of Reporting for International Students on F-1 Visas

All Students

- Apply for a TIN or Social Security Number if required.
- Complete an 8843 each year before April 15 and mail to the IRS. Include this form with your return if you have income to report. Otherwise, mail it alone.

Students with Income to report:

When the United States has NO Tax Treaty with your country:

First semester of attendance... If you have scholarship assistance to pay for any portion of room & board, complete Form W4NR and send to Payroll Office Attn: Cathy Smith. This form last 1 calendar year.

January 1.....Complete W4NR every year and send to Payroll Office Attn: Cathy Smith

Before April 15...Complete Federal Tax Return for the previous calendar year Form1040NREZ and attach Form 8843, W2, and 1042-S. Send tax return to the IRS.

Before April 15...Complete State Tax Return for the previous calendar year. Form GA 500 and attach W2 and 1042-S Send tax return to the Georgia Dept. Revenue.

When the United States has a Tax Treaty with your country:

First semester of attendance... If you have scholarship assistance to pay for any portion of room & board, complete Form W8BEN and send to Payroll Office Attn: Cathy Smith. This form last 3 years

January 1.....You may complete Form 8233 every year that you work and mail it to the Payroll Office.

Before April 15...Complete Tax Return for the previous calendar year Form1040NREZ and attach Form 8843, W2, and 1042S Send tax return to the IRS.

Before April 15...Complete State Tax Return for the previous calendar year Form GA 500 and attach W2 and 1042-S Send tax return to the Georgia Dept. Revenue.