International Tax FAQ
Form W-4

This guide answers some of the most frequently asked questions for international employees about IRS Form W-4. More resources are available at IRS About Form W-4 website, or you can contact the International Tax Office at intltax@cu.edu.

Frequently Asked Questions

Q. What is Form W-4?

A. Form W-4 is a form used to tell U.S. employers how to calculate the amount of income tax to withhold from employees' paychecks. Nonresident aliens are subject to restrictions in how they complete Form W-4 to ensure accurate income tax withholding.

Q. Who needs to fill out Form W-4?

A. All employees of a U.S. employer, who are receiving wage payments, are expected to fill out Form W-4. This includes individuals who are eligible for exemption from tax under a U.S. tax treaty.

Q. When does Form W-4 need to be filled out?

A. Form W-4 is filled out when starting a job with a new employer or when changes to withholding are necessary. New international employees will complete Form W-4 in Sprintax Calculus.

Q. What if I am unable to complete my Sprintax Calculus profile and W-4 before my first paycheck?

A. It isn't always possible to complete Form W-4 before your first paycheck, but it is important to complete it as soon as possible. Please do not make changes to your Form W-4 in the CU Employee portal. The IRS provides U.S. employers with withholding rules to follow until an employee submits a valid Form W-4.

Q. What if I have a life event that warrants a change in withholding?

A. When life events, including a change of U.S. tax residency status, warrant a change in withholding, please contact the International Tax Office to discuss allowable changes to your Form W-4 by emailing intltax@cu.edu.

Q. Why do employers use Form W-4?

A. Form W-4 is used by employers to calculate the amount of income tax withheld from employee paychecks, depending on variables including tax and filing statuses, eligible tax credits and benefits, and whether a taxpayer has other sources of income. Form W-4 does not calculate an individual's annual tax liability (that happens on the individual's annual income tax return) but instead calculates how much tax will be paid towards the individual's annual tax liability throughout the year.

Q. Why do individuals use Form W-4?

A. Form W-4 helps eligible individuals manage their cash flow by allowing them to take advantage of tax benefits they expect to qualify for when they file their income tax returns throughout the year.

Q. Why do I need to complete my Sprintax Calculus profile before completing my Form W-4?

A. Not all international employees will qualify for tax benefits so they should not complete a new Form W-4 outside of Sprintax Calculus to avoid under withholding.

Q. What if I don't submit a valid Form W-4?

A. When an employee does not submit a valid Form W-4, the IRS requires the employer to withhold tax at the default Form W-4 rate which could result in under withholding of income tax and the need to pay additional tax with their income tax return.

Q. How is Form W-4 filled out?

A. How an employee fills out the Form W-4 depends on their U.S. tax residency status. To minimize the risks of under withholding, we ask new international employees to wait until completing their Sprintax Calculus profile to complete Form W-4.

Q. How do I know if I have Form W-4 restrictions?

A. Upon providing an accurate and complete history of U.S. presence when completing your Sprintax Calculus profile, the program will determine your U.S. tax residency status. If you are determined to be a nonresident alien for U.S. tax purposes, you will be subject to W-4 restrictions. Sprintax Calculus will generate a W-4, applying the applicable restrictions.

Q. Where do I fill out Form W-4?

A. You will complete Form W-4 initially when completing your profile in Sprintax Calculus. Nonresident alien taxpayers (NRAs) should only make changes in consultation with an international tax specialist. Making changes without a tax specialist's guidance might result in underwithholding.