



Tax Reference for International Visitors

For use by administrative staff, departmental staff, faculty members, international scholars and international students



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Introduction

The purpose of this publication is to inform international students, faculty and staff of the rules by which the University of Colorado (CU) must operate, based on United States tax and immigration laws. In addition, this tax guide is intended to be used as a reference tool for university personnel who interact with international students, faculty and staff on a daily basis. However, no one from any CU department can act as a tax consultant, give personal tax advice or represent an individual dealing with the Internal Revenue Service (IRS) while in an official role at CU.

This guide does not cover all tax situations; it covers only those most common to the majority of foreign students, faculty and staff. It presents basic information about the various kinds of university payments to students, faculty and staff. The intent is to provide information that will assist international visitors and university personnel in making the correct decisions concerning the tax implications of payments that CU makes by explaining some of these tax rules and regulations.

CU must fulfill its tax-reporting obligations and can, in case of a tax question or problem, supply payroll and other appropriate documentation to explain payments made to individuals.

Users of this guide should be aware of the necessary limitations on the information it contains. While the university hopes this material will be useful, it should not be construed as either a complete treatment of all tax questions or as an official CU statement as to the reviewed subject matter.

CU advises international students, faculty and staff with questions or problems regarding tax preparation to seek assistance from a professional tax accountant. In the United States, the individual taxpayer is responsible for filing an appropriate and accurate tax return and negotiating all tax matters with the IRS. Taxpayer assistance is available from the IRS by calling 215-516-2000 (not a toll-free number).





Section 1: Definition of Terms

1.1 Candidate for a Degree

A candidate for a degree is broadly defined to include any full-time or part-time student enrolled at CU in any course(s) that may lead to a degree, whether or not the student's particular education program leads to a degree.

1.2 Employee Wages

Employee wages are payments for services that an individual performs or carries out for the university as an employee. Services performed by an employee are subject to the direction and control of the university, its faculty or its staff. Employee wages are not the same as payments made to an international visitor for working as an independent contractor. See the discussion of independent contractor payments in section 1.7 below for the definition of non-employment-related services. **Employee wages can only be paid to international visitors who have been granted an appropriate employment authorization and visa status by U.S. Citizenship and Immigrations Services (USCIS) to allow them to be compensated for services.** See further discussion in sections 2.1 and 2.2 of this guide.

1.3 Fellowships and Scholarships

Fellowship or scholarship payments are made to assist individuals in pursuing courses of study or research. The IRS allows amounts paid to international visitors as qualified scholarships and fellowships to be excluded from taxable income (meaning the payments are not taxable) if both of the following requirements are met:

- The scholarship or fellowship is awarded to a candidate for a degree. (See section 1.1.)
- The scholarship or fellowship is used to pay for (i) tuition and fees required for enrollment or attendance at CU, and/or (ii) other mandatory fees, books, supplies and equipment required to be used by all students in a particular course of study.





Fellowship or scholarship payments made to international visitors may include a combination of the following:

- tuition, fees, books and course-related materials
- stipends for living expenses, including meals, lodging and other personal items
- medical insurance premiums paid to insurance companies
- airfare purchases from airline companies or travel service providers

Portions of fellowship and scholarship payments made to nonresidents aliens are used for meals, lodging, non-mandatory medical insurance, travel, personal living expenses or other non-course-related expenses are often referred to as stipends, and these must be included in taxable income unless excluded by tax treaty. Also, any amount of a fellowship or scholarship that is paid in exchange for employment-related services, including teaching and research services, is considered compensation and is taxable unless a tax treaty exclusion applies.

A post-doctoral fellowship award is made to an individual to further his/her pursuit of a course of study or research beyond the doctoral level. The entire post-doctoral fellowship award must be included in taxable income.

Fellowships and scholarships can only be paid to international visitors who have been granted the appropriate authorization and visa status by the USCIS (they must have a valid I-94 authorization). See further discussion in sections 2.1 and 2.2 of this guide.

1.4 FICA

The Federal Insurance Contribution Act (FICA) is a tax that is assessed against employee wages paid to individuals. This is a separate tax from the federal income tax and is used to fund the retirement and medical benefits paid by the Social Security Administration. Generally, one-half of this tax (7.65 percent of wages) is withheld from the payments to the individual, while the university pays the other one-half of this tax (also 7.65 percent of wages). The tax is deducted in two parts: 6.2 percent for OASDI and 1.45 percent for Medicare. Special rules and an expanded





discussion of this tax specifically pertaining to international employees are included in section 2.6.

1.5 **Immigrant (Resident Alien for Immigration Purposes)**

An immigrant — or resident alien for immigration purposes — is a permanent resident and is often referred to a green card holder. An immigrant, or resident alien, is a non-U.S. citizen who has been authorized to live and work in the United States indefinitely.

1.6 **U.S. Citizen and Immigration Services (USCIS)**

The Department of Homeland Security (DHS) sets the restrictions that apply to the various visa categories. (The U.S. Information Agency sets the restrictions for J cultural exchange visa programs.) The USCIS is part of DHS and is the U.S. government agency responsible for overseeing the entry of international visitors into this country.

1.7 **Independent Contractor Payments**

Payments to independent contractors are for services performed, which may be outside the scope of employment. Independent contractors are not the same as employees. Services for which independent contractors receive payment must have all of the following characteristics:

- The international visitor must not be under the direction or control of the university, its faculty or staff with regard to the means and methods used to perform university services.
- The services or tasks being performed are of short duration and will not result in the international visitor entering a long-term working relationship with the university.
- A written contract or agreement exists that identifies the services to be performed.

Payments for honoraria that meet the first two criteria can be treated as independent





contractor payments without satisfying the requirement for written contracts or agreements.

Independent contractor payments can only be made to international visitors who have been granted the appropriate employment authorization and visa status by the USCIS (they must have valid I-94 authorization). See further discussion in section 2.1 and 2.2.

1.8 **Internal Revenue Service**

The IRS is the U.S. government agency that collects taxes and enforces federal laws.

1.9 **Nonimmigrant (Nonresident for Immigration Purposes)**

A non-immigrant — or nonresident for immigrant purposes — is a person who is not a U.S. citizen and has been admitted to the United States for a temporary stay that will end when the purpose of that stay has been met.

1.10 **Nonresident (for Tax Purposes)**

A nonresident for tax purposes is a person who is not a U.S. citizen and who does not meet either the Green Card Test or the Substantial Presence Test described in Publication 519, U.S. Tax Guide for Aliens. Both of these tests are discussed in detail in section 4.

1.11 **Resident (for Tax Purposes)**

A resident for tax purposes is a person who is not a U.S. citizen and meets either the Green Card Test or the Substantial Presence Test described in Publication 519, U.S. Tax Guide for Aliens. Both of these tests are discussed in detail in section 4.

1.12 **Taxable Income**

Any money paid to an international visitor (or paid to a third party on his/her behalf) on which taxes are required to be paid to the U.S. government is called taxable





income. Employee wages and stipend payments are considered taxable income. Federal and state income tax will be withheld by CU from these payments at the appropriate rate. Employee wages, stipends, honoraria and payments for independent personal services are all considered taxable income.

1.13 **Taxes**

Individuals earning money in the United States must pay taxes. Taxes are used to support the various functions of government.

1.14 **Travel (Transportation, Meals and Lodging In Transit)**

Travel payments can be made to international visitor employees and independent contractors in payment for or reimbursement of a number of travel-related expenses, including: the cost of meals; lodging; transportation costs such as airfare and automobile rental; and other related expenses incurred while in transit. There is no distinction between amounts paid directly to travel service providers, such as airlines, and payments made directly to the international visitor. In some cases, travel expenses paid or reimbursed by the university will not be considered taxable income to the traveler, as long as the traveler properly accounts to the university by providing timely substantiation of the business or scholarly purpose of the travel, in accordance with the tax rules for accountable plans. Please see the university's Administrative Policy Statement regarding reimbursement of travel and business expenses for the complete description of expenses paid under and accountable plan.

1.15 **Withholding**

Withholding is the process by which the university deducts taxes from the recipient's payment and sends the taxes to the IRS and the State of Colorado, as required by law.





Section 2: U.S. Tax Obligations of the University and Sponsoring Departments

2.1 University Responsibilities

The university is responsible for maintaining compliance with both the letter and intent of all federal, state and local laws.

CU also has a responsibility to the international visitors who come to campus to pursue their education or other scholarly activities to ensure that payments made to them by the university are properly reported to the appropriate federal and state agencies. Properly reporting payments that are made to international visitors will greatly reduce the potential for future tax or immigration problems for visitors. A number of university offices are available to guide departments, faculty and international visitors in gathering and coordinating the appropriate information needed to maintain compliance with tax and immigration laws. Refer to Appendix A for a list of university offices that provide specific guidance with these matters and the types of services they provide.

2.2 Sponsoring Department Responsibilities

University departments that host international visitors should generally be aware that the visitors, in many cases, will be coming to CU far in advance of their actual arrival dates. Accordingly, the hosting department or faculty member bears primary responsibility for ensuring payments comply with federal and state tax laws, and immigration laws. This responsibility also is shared by a number of university offices that are available at all times to guide departments and faculty members in acquiring all information and forms required by the federal government. Refer to Appendix A.

Departments must ensure no payments of any kind are made to international visitors unless they have been granted the appropriate authorization and visa status by the USCIS before coming to CU (they must have valid I-94 authorization).

Before making any contractual arrangement to pay an international visitor, you must contact the appropriate office on your campus: The Office of International and Scholar Services (ISSS) at CU-Boulder; International Students and Scholars Office at





CU Anschutz; the Office of International Education at CU Denver; and the International Student Services Office at UCCS. This ensures violations of immigration law do not occur. Such violations could lead to fines up to \$10,000 assessed against CU, or detention or deportation of the international visitor.

Additionally, departments must ensure each international visitor has either a Social Security number or an individual taxpayer identification number, or is in the process of obtaining the relevant tax identification number. See the detailed discussion in section 3.6.

See Appendix E if the international visitor does not have a Social Security number or an individual taxpayer identification number.

2.3 Classification of Payments for Withholding Purposes

Payments that are discussed in this tax reference guide fall into three broad categories:

1. Employee wages
2. Independent contractor payments or honoraria
3. Fellowship and scholarship grant payments.

Certain types of payments to an international visitor may be taxable while other payments to the same visitor may not be taxable. Also, certain payments that are taxable to one international visitor may not be taxable to another. Accordingly, it is important that international tax specialist within CU's Employee Services department review any payment made to an international visitor, corporation or organization to determine if withholding is required and, if so, the amount to be withheld from the payment.

2.4 Foreign Source Income Exclusions

2.4.1 For Services Performed Outside the United States

Payments made by CU to nonresident aliens for services the nonresident alien performs in a country outside the United States are not subject to federal income tax





withholding or reporting. This exclusion applies only to services performed in a foreign country by an individual who is not a U.S. citizen or resident. The services are considered “sourced” in a foreign country and, therefore, are not subject to federal income tax withholding.

2.4.2 For Grants Funded from Outside the United States

Fellowship and scholarship grants paid with funds from the international visitor’s country of residence (or another country outside the United States) are not subject to tax withholding. Such grants are considered “Sourced” in a foreign country and, therefore, are not subject to federal income tax withholding.

2.5 Federal Income Tax

All employee wages, independent contractor payments, honoraria, and taxable portion of fellowship and scholarship payments that an international visitor receives from the university are considered taxable income unless they are specifically exempt from tax by a tax treaty. In general, the university is required to withhold federal income tax on payments to international visitors as follows:

2.5.1 For Nonresidents (Nonresident Aliens for tax purposes)

Employee wages generally have income tax withheld at graduated rates, usually applicable for single taxpayers with one exemption, subject to a tax table provided specifically for wages of nonresident alien employees. This is unless they are specifically excluded from tax by a tax treaty between the United States and the international visitor’s country of residence.

Independent contractor payments have income tax withheld at a rate of 30 percent unless specifically excluded from tax by a tax treaty between the United States and the international visitor’s country of residence.

Fellowship and scholarship payments have income tax withheld at a rate of 14 percent on the taxable portions of the payment (amounts not used for tuition, books, fees, and course-required supplies and materials) unless specifically excluded from





tax by a tax treaty between the United States and the international visitor's country of residence.

NOTE: Treaty benefits are granted only after a CU international tax specialist has met with the international visitor to determine eligibility. Once eligibility is established, an international tax specialist will administer the appropriate forms.

2.5.2 For Residents (Resident Aliens for tax purposes)

Employee wages have income tax withheld at the same graduated rates that are used to withhold tax from U.S. citizens.

Independent contractor payments do not have income tax withheld.

Fellowship and scholarship payments made to resident aliens do not have income tax withheld. The portion used to pay tuition, books and equipment required for enrollment in the university or in its courses is nontaxable. However, portions of scholarship payments used for living expenses, travel, fees and equipment that are not required for enrollment may be taxable to the recipient at the time the tax return is filed.

2.6 FICA (Social Security Tax)

2.6.1 Employee Wages

FICA is generally withheld at a rate of 7.65 percent, with a matching percentage paid on behalf of the individual by the university unless specifically excluded from tax by a totalization agreement between the United States and the international visitor's country of residence. Social Security tax is deducted as two separate deductions: 6.2 percent for OASDI and 1.45 percent for Medicare.

Special exemptions from FICA withholding are available under certain circumstances:

- Services performed by visitors temporarily in the United States on an F-1, J-1,





M-1 or Q-1 visa, which are consistent with the purpose for which the visitor has been granted visa status, are exempt from FICA as long as the visitor is classified as a nonresident for tax purposes.

- Services performed for the state or local government, unless an agreement with the federal government is involved, are exempt from FICA.
- Services performed for a foreign government are exempt from FICA.
- Services performed for an international organization are exempt from FICA.

2.6.2 Independent Contractor/ Honoraria Payments

Payments for independent personal services/honoraria do not have FICA tax withheld.

2.6.3 Fellowship and Scholarship Payments

Payments for fellowships and scholarships do not have FICA tax withheld.

2.7 Colorado State and Local Taxes

All employee wages, independent contractor payments, and taxable portions of fellowship and scholarship payments that an international visitor receives from the university are considered income for state and local income tax purposes. In general, the university is required to withhold state and local income taxes in the same way as is outlined in the discussion of federal income taxes in section 2.5, except there is no state withholding from independent contractor payments. If some or all of the income is exempt from federal taxes, the same income is exempt from state taxes. Local income taxes will be withheld as appropriate.

2.8 Exemptions From Income Tax Withholding Requirements

A number of possible exemptions from withholding may apply to an international visitor. Several have been mentioned above, but a more complete listing follows.



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Foreign source income is not subject to withholding. Foreign source incomes is income that comes from a payer whose residence is outside the United States, or income paid to a nonresident performing services outside the United States.

Tax treaty exclusions may apply, but eligibility must be evaluated based on each individual's history of presence in the United States.

Per diem payments for USAID grants may be exempt from withholding but only if the international visitor is involved in a USAID training program in the United States.

2.9 Required Forms

International visitors from countries that have entered into a tax treaty with the United States may be able to exclude all or a portion of the payments they have received from U.S. sources under the provisions of that treaty. If a tax treaty exists between the international visitor's country of residence and the United States that allows some or all of the visitor's income to be considered nontaxable, the visitor must complete certain forms with a CU international tax specialist.

2.10 Penalties and Sanctions

The IRS has initiated a series of audits of colleges and universities, focusing on compliance with the areas of the tax laws discussed in this reference guide. In cases where taxes have not been withheld, the IRS can assess the university the full amount of tax that should have been withheld, along with penalties and interest charges, even if the tax was ultimately paid by the international visitor on his/her U.S. tax return. These amounts will be billed back to the sponsoring department in the event that such as assessment occurs in an audit.





Section 3: U.S. Tax Obligations for International Visitors

3.1 Tax Basics for Nonresidents (for tax purposes)

A nonresident's tax responsibility is complex. The following information is provided in some detail to inform and direct the nonresident alien to tax basics as they relate to the individual's tax obligation.

Income received by a nonresident may be subject to income tax. However, a nonresident may be exempt from paying U.S. income tax because of a tax treaty between the United States and his/her country of residency. The United States currently has a number of treaties with other—but not all—countries. Each treaty is different. A payment must meet the strict requirements of the treaty to be exempt from tax. A nonresident alien pays U.S. tax only on income from sources inside the United States unless the income is exempt by a tax treaty. **All nonresidents must generally file IRS Form 1040NR (Income Tax Return for Nonresident Aliens) or Form 1040NR-EZ on or before April 15 each year, even if all income is exempt from tax because of a treaty (see section 3.2).**

The 1040-NR or 1040NR-EZ filing requirement has been eliminated for nonresident aliens whose total annual U.S. source wage income is less than the personal exemption amount. However, it may still be advisable to file a tax return for purposes of later being able to document to USCIS that all required tax filings have been made. (This is required for non-immigrants applying to USCIS for permanent residence, or for nonresidents to obtain a certificate of compliance, Form 1040-C. See section 3.4 for more information.)

Striking differences exist between the taxation of residents and nonresidents of the United States. The basic characteristics of nonresident taxation follow. More detailed information is available in IRS Publication 519, "U.S. Tax Guide for Aliens."

1. Tax is generally levied on U.S. source income only.
2. Tax treaty provisions may exempt some income from tax.
3. Interest income may be tax-free.
4. Nonresident aliens generally cannot file jointly with their spouses.





5. Generally, only one personal exemption is allowed, regardless of family status.
6. Non standard deduction is permitted (except for qualified students from India).
7. Itemized deductions are generally limited to:
 - a. state and local taxes withheld;
 - b. contributions to charity;
 - c. casualty/theft losses; and
 - d. miscellaneous business deductions.
8. Investment income is generally taxed at a flat 30 percent.
9. No child or dependent care credit is permitted.

A number of special rules regarding the standard deduction and spousal exemptions are in effect for residents of India, Mexico, Canada, South Korea and Japan.

3.2 Nonresidents - U.S. Nonresident Alien Income Tax Return (1040NR)

3.2.1 What to File

A nonresident files his/her tax return on Form 1040NR, “U.S. Nonresident Alien Income Tax Return” or 1040NR-EZ, “U.S. Income Tax Return for Certain Nonresident Aliens with No Dependents.” CU Will report earnings to nonresident aliens on a Form W-2 and/or a Form 1042-S. Nonresidents must file an annual tax return if they earned any U.S. source income during the tax year, except as addressed in section 3.1. Holders of F, J, M and Q visas are required to file Form 1040NR or 1040NR-EZ and Form 8843. **Even if a nonresident earned no income at all during the calendar year, Form 8843 must be filed.** In addition, an individual who has had too much tax withheld from his/her wages will want to file to claim a refund.

3.2.2 When to File

If the nonresident earned employee wages subject to withholding during a calendar





year, his/her tax return must be filed on or before April 15 of the following year. If no U.S. employee wages were received, the return is due June 15 of the following year. If the filing deadline falls on a weekend or holiday, the deadline moves to the next business day.

3.2.3 Where to File

All nonresident tax returns must be mailed to:

Department of Treasury
Internal Revenue Service Center
Austin, TX 73301-0215 USA

3.2.4 Tax Return Recordkeeping

Every taxpayer should retain a photocopy of the completed tax return and any documentation submitted with it. Proper response to an IRS inquiry regarding a prior year's return is virtually impossible without an exact copy of that return. Occasionally, circumstances require the taxpayer to submit a copy of a prior year's return to the IRS. In addition, non-immigrants applying to the USCIS for permanent residence may be required to produce copies of their tax returns for the current year and the previous two years.

3.3 Residents - U.S. Individual Income Tax Return (Form 1040)

A resident alien for tax purposes pays U.S. tax on income from all sources worldwide and generally cannot take advantage of tax treaties between the United States and other countries. Individuals who are resident aliens can claim exemptions for dependents. Determination of residency status *for tax purposes* is discussed further in section 4. A resident's income is generally subject to tax in the same manner as a U.S. citizen; that is, a resident is taxed on and must report income from all sources, including those outside the United States.

Resident aliens must report all interest, dividends, wages or other compensation for services, income from rental property or royalties, and other types of income —





whether from sources within or outside the United States — on IRS Form 1040, 1040A or 1040EZ. The university will report earnings to resident aliens on a Form W-2 (for employee wages) or a Form 1099 (for independent personal services), which must be submitted with the tax return. Please contact CU’s international tax specialists to see if a treaty benefit may apply.

3.4 Certificate of Compliance – “Sailing Permit” IRS Form 1040-C (or Form 2063)

A Certificate of Compliance or “Sailing Permit” is a form that a nonresident alien must file with the IRS to demonstrate that he/she has paid all applicable U.S. taxes before leaving the United States. Holders of F, J, H-3 and H-4 visas are not required to obtain the Certificate of Compliance if they had no U.S. source income other than:

- a. Allowances or payments to cover study expenses (including travel, maintenance and tuition); or
- b. Wages from USCIS-authorized work (including practical training).

Permanent residents (green card holders) and all nonresidents with a visa status other than those noted above must obtain a Certificate of Compliance from the IRS before leaving the United States.

The following information may be useful to international visitors who must obtain a Certificate of Compliance before departing the United States.

- IRS Form 2063 is required if the international visitor has no U.S. taxable income at the time of departure.
- IRS Form 1040-C is required if the international visitor has U.S. taxable income at the time of departure.
- The appropriate form should be obtained and filed at least 14 days before departure, but no more than 30 days before departure.
- The appropriate form can be downloaded from the [IRS website](#).





3.5 Additional Tax Information Statement

For all nonresidents for tax purposes, the IRS requires Form 8843 detailing the basis of the individual's claim to nonresident alien status. This form should be filed with IRS Form 1040NR, "Income Tax Return for Nonresident Aliens," or 1040NR-EZ, "U.S. Income Tax Return for Certain Nonresident Aliens with no Dependents," on or before April 15 of the following year, or on June 15 if no U.S. source income has been received.

3.6 Social Security or Individual Taxpayer Identification Number

3.6.1 Social Security Number

An international visitor must obtain a Social Security number when the visitor is going to receive payments for employee wages. A Social Security number is obtained by filing a Form SS-5 at your local Social Security Administration Office. In addition to having a completed Form SS-5, any international visitor applying for a Social Security number must have a passport, the I-94 and all immigration-related documentation, and a letter of offer of employment from the sponsoring employer. (Appendix A contains the telephone number for the Social Security Administration Office.)

Since Sept. 11, 2001, there have been major changes to obtaining a Social Security number. All immigration information must now be verified with the Department of Homeland Security before a number will be issued to an individual. It can take up to 12 weeks to get a Social Security number. International visitors should be advised of this before arriving in the United States so they can prepare for any delays in receiving U.S. compensation. The university has a policy in place to issue temporary identification numbers to pay international visitors who miss the first regular payroll. Please refer to Appendix E for the policy.

International visitors who wish to claim tax treaty exemption must have a Social Security number. Social Security numbers are assigned one time to an individual, and that number belongs to them for their lifetime.





3.6.2 Individual Taxpayer Identification Number (ITIN)

The Social Security Administration will not issue a Social Security number to a nonresident alien unless he/she is in work-authorized status. An individual taxpayer identification number must be issued to any nonresident alien individual who cannot obtain a Social Security number. International visitors must have an individual taxpayer identification number to receive payments for independent personal services. The individual taxpayer identification number is used to ensure the proper reporting of taxable payments and withheld taxes to the IRS.

International visitors can obtain an individual taxpayer identification number by filing a Form W-7, “Application for IRS Individual Taxpayer Identification Number,” with their tax returns. The original or a certified copy of the international visitor’s passport, birth certificate, driver’s license, identity card or immigration documentation must be submitted with the Form W-7 to the IRS office in Austin, Texas, to another designated IRS office (not all IRS offices process forms W-7) or to a certified acceptance agent. The IRS will return any original documents to the individual.

3.7 Penalties and Sanctions

Failure of a nonresident to comply with U.S. tax law can lead to the assessment of fines and penalties against the international visitor by the IRS. Failure to file the appropriate tax returns or making intentionally false statements on tax returns can lead to criminal penalties for the individual. Penalties can also be assessed against the university for making payments and reporting tax information without proper taxpayer identification numbers.





Section 4: Residency Determination for Tax Purposes

4.1 Resident for Tax Purposes

A resident for tax purposes is a person who is neither a U.S. citizen nor a permanent resident, but has met the Substantial Present Test described in Publication 519, “U.S. Tax Guide for Aliens” (see Appendix B).

With regard to residency determination for tax purposes:

- **F, J and M student** visa holders and their dependents are generally considered *after* their first five calendar years in the United States, once they meet the 183 days requirement in their sixth year.
- **J and Q non-student** visa holders (researchers, scholars, teachers, etc.) and their dependents are generally considered residents *after* their first two calendar years in the United States, once they meet the 183 days requirement in their third year.
- **H and Q** visa holders are considered residents only if they meet the Substantial Presence Test described in section 4.4.

4.2 Nonresident for Tax Purposes

A nonresident for tax purposes is a person who is not a U.S. citizen and who does not meet the Green Card Test or the Substantial Presence Test described in Publication 519, “U.S. Tax Guide for Aliens.” With regard to residency determination for tax purposes:

- **F, J and M student** visa holders and their dependents are generally considered nonresidents *during* their first five calendar years in the United States. This is a one-time exclusion from the Substantial Presence Test.
- **J and Q non-student** visa holders (researchers, scholars, teachers, etc.) and their dependents are generally considered nonresidents *during* their first two calendar years in the United States in that status.
- **H and Q** visa holders are considered nonresidents unless they meet the





Substantial Presence Test described in section 4.4.

4.3 Green Card Test

A person is a resident for tax purposes if he/she is a lawful permanent resident of the United States. A person has this status if he/she has been issued an alien registration card, also known as a green card, by the USCIS. The person need not possess the green card itself. The right to lawful permanent residence is granted at the time of the final interview with USCIS officials and is evidenced by the USCIS stamp in the applicant's passport. The green card may not arrive for several months after the interview.

4.4 Substantial Presence Test

4.4.1 Counting Days

A person is a resident for tax purposes if he/she meets the Substantial Presence Test for the calendar year. To meet this test, the person must be physically present in the United States for at least:

1. 31 days during the current year, AND
2. 183 days during the three-year period that includes the current year and the two years immediately before that, counting:
 - a. all the days the person was present in the current year, AND
 - b. one-third of the days the person was present in the first year before the current year, AND
 - c. one-sixth of the days the person was present in the second year (before the current year).

4.4.2 Days That are Not Counted

J and Q non-student visa holders (professors, researchers, etc.) and their dependents do not count days for the first two calendar years in that status. A six-year lookback period is required in which any two of the last six years in that status will be considered exempt from counting days toward the Substantial Presence Test. Once the two-year exemption from the Substantial Presence test is used,



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days must be counted.

F, J or M student visa holders and their dependents do not count days for the first five calendar years in that status.

It is important to note that the counting rules are based on a calendar year, not a 12-month period. For example, an international visitor enters the United States on Dec. 15, 2015, as a J non-student visa holder. For purposes of the Substantial Presence Test, 2015 is the first calendar year even though the visitor was present only for 16 days of that calendar year. 2016 is the second calendar year. This individual's exemption from the Substantial Presence Test would end effective July 2, 2017. He/She would become a resident alien for tax purposes retroactively on Jan. 1, 2017.

4.4.3 Circumstances That Disqualify From the Substantial Presence Test

A person will not meet the Substantial Presence Test if the person 1) is not present in the United States on fewer than 31 days during the current year; 2) does not meet the 183-day requirement over all qualifying years counted toward the test; or 3) it is established for the current year that the person has a tax home in a foreign country that has a closer connection to that country than to the United States. The closer connection exception is discussed in detail in IRS Publication 519, "U.S. Tax Guide for Aliens" and can only be granted by the IRS.





Section 5: Independent Personal Services Issues

5.1 Immigration Law Restrictions

In past years, immigration and tax law restrictions for independent personal service payments were rather loosely interpreted by many colleges and universities. However, the IRS and U.S. Citizen and Immigration Services have undertaken stricter enforcement measures. This may impact those who are hosting international faculty, scholars, researchers, performers, artists or individuals performing other services. These restrictions should not discourage anyone from inviting international visitors to the university for short-term stays. In most cases, it is possible to legally reimburse them for expenses (such as accommodations and travel), and/or pay them for services performed for CU, provided the international visitor enters the United States with the proper visa. CU faculty members who travel abroad and who may extend an invitation to a foreign colleague should be aware that for some countries it may take several months to obtain the proper visa.

To ensure that a) international visitors can receive the appropriate payments, b) they are not denied entry into the United States, c) they do not have more taxes withheld than are necessary and, d) hosting departments are not assessed fines by the IRS or the USCIS, faculty members who plan to host international visitors should have their departmental administrative personnel or account manager contact CU's international tax specialists **before** making any contractual arrangement to pay or reimburse an international visitor.

5.2 B-1 and B-2 Visas

5.2.1 B-1 Visitor for Business/ B-2 Visitor for Tourism

International visitors in the United States in B-1/B-2 status may be paid the following types of income:

- honoraria for academic purposes
- reimbursement for expenses including accommodations, meals and travel





expenses (Payments may be made directly or to the provider of the service—subject to CU travel policy restrictions.)

- scholarship or fellowship grants where the visitor is enrolled in a course of study and renders no services for the university (subject to restrictions imposed by the fellowship office)

To pay honoraria, the following rules apply:

- The visitor cannot be present for more than nine days, AND
- The visitor cannot have received more than five U.S. payments in the past six months.

5.3 Visa Waiver for Business (VWB) and Tourism (VWT)

Immigration law and payment restrictions for business (VWB) and tourism (VWT) are identical to their B visa counterparts.

5.4 J-1 Visas for Short Term Visitors

5.4.1 Possible Sources of U.S. Income

J-1 non-student (professor and researcher) status allows for employment of international visitors on the sponsoring campus exclusively. Permission to work off campus must be obtained from the sponsor.

5.4.2 Tax Implications

Refer to sections 2.5 – 2.7 to determine whether federal income tax, FICA tax, and/or state and local income tax apply to the type of payments being made to the international visitor.

5.5 Income Tax Withholding Requirements

In general, all income paid by the university to an international visitor is taxable unless income is exempt from tax under the provisions of a tax treaty between the





United States and the person's country of residence, or under a provision of the Internal Revenue Code. The university is required by law to withhold the taxes from these payments at the following rates, unless exempted by treaty or the tax code:

- Employee wages: income tax at graduated rates for single taxpayers with one exemption, subject to a tax table provided specifically for wages of nonresident alien employees
- Fellowships and scholarships: 14 percent income tax
- Independent contractor payments and honoraria (and reimbursements of expenses): 30 percent income tax

5.6 Payment Processing Requirements

University departments planning to invite an international visitor who will enter the United States on a B-1 visa or a VWB waiver must ensure the following forms are completed, or copies are obtained, to comply with IRS rules. Exemptions from withholding under a tax treaty for employee wages, independent contractor payments or scholarship payments may not be honored unless the visitor has a Social Security number (or individual taxpayer identification number, if applicable).

IRS Form W-8BEN, "Certificate of Foreign Status of Beneficial Owner for United States Withholding," may be filed with the university by the international visitor to certify his/her foreign status.

In addition to the standard information required on the *CU Payment Voucher Form* (for payment through accounts payable), copies of the following items must be attached to process the payment:

- INS Form I-94, Arrival-Departure Record: The I-94 is issued to the visitor on arrival in the United States and is attached to the passport or visa document.
- W-8BEN Certificate of Foreign Status
- passport page containing the visitor's picture
- compliance statement (see Appendix D): Statement from visitor stating compliance with requirements to receive honoraria while visiting on a B1/B2 visa or visa waiver.





Section 6: F-1 and J-1 Students

6.1 General Provisions

F-1 and J-1 student visa holders are generally considered nonresident aliens for their first five calendar years in the United States.

F-1 and J-1 category students who have been in the United States for more than five calendar years are generally considered to be resident aliens. Students with F-1 or J-1 visas become eligible to use the Substantial Presence Test after five years as nonresident aliens. For example, a student with a J-1 visa who arrived in the United States in 2015 files nonresident alien tax returns (IRS Form 1040-NR or 1040NR-EZ) from 2015 through 2019. The student passes the Substantial Presence Test (described in section 4.4) in 2020. The student is considered a resident alien for tax purposes in 2020 (see section 3.3).

All students who have been in the United States for more than five years will be treated as residents for tax purposes. Individuals who wish to be treated as nonresidents for tax purposes must establish to the satisfaction of the IRS (on Form 8840) that they are complying with the terms of their student visa and do not intend to permanently reside in the United States, and they must provide the university a written statement from the IRS substantiating their continued nonresident status.

All J-1 students who are paid as university employees or independent contractors must be prepared to provide verification that they have work authorization on an annual basis, i.e., every year they are at CU.

6.2 Possible Sources of U.S. Income

F-1 Student and J-1 Exchange Visitor (Student) visas allow for employment of international visitors on campus and off campus under certain circumstances. Work that is curriculum-related practical training is allowed. Post-graduate practical training is possible for up to 12 months for F-1 students and for up to 18 months for J-1 students.





6.3 Tax Implications

Refer to sections 2.5 – 2.7 to determine whether federal income tax, FICA tax, and/or state and local income tax apply to the type of payments being made to the international visitor.





Section 7: J-1 Scholars (Professors and Researchers)

7.1 General Provisions

J-1 non-student visa holders (professors, researchers, etc.) are generally considered nonresident aliens for their first **two calendar years** (or two of the last six calendar years if they have previously been in the United States).

Non-students with J-1 visas become eligible to use the Substantial Presence Test after two years as a nonresident alien. For example, a teacher with a J-1 visa who arrived in the United States in 2015 files nonresident tax returns (IRS Form 1040NR or 1040NR-EZ) for 2015 and 2016. The teacher passes the Substantial Presence Test (i.e., after 183 days of presence) in 2017. The teacher is considered a resident for tax purposes in 2017.

7.2 Possible Sources of U.S. Income

J-1 non-student (professor and researcher) visas allow for employment of international visitors on campus exclusively. Permission to work off campus is extremely difficult to obtain from the USCIS.

7.3 Tax Implications

Refer to sections 2.5 – 2.7 to determine whether federal income tax, FICA tax, and/or state and local income tax apply to the type of payments being made to the international visitor.





Section 8: H-1B, O, P, TC & TN Visa Status (Temporary Workers and Trainees)

8.1 General Provisions

H-1B visa holders are generally considered nonresidents unless they meet the Substantial Presence Test. There is no specific amount of time during which these visa holders will be considered nonresidents as there is with F and J visa holders.

O and P visas are issued to artists, performers and aliens of extraordinary ability. These visa types are treated in the same manner as the H-1B.

TC and TN visas are issued to Canadians and are the equivalent of the H-1B visa. TN visas can also be issued to Mexicans.

8.2 Possible Sources of U.S. Income

H-1B, O, P, TC and TN visas (except H-4 dependents) allow for employment of international visitors exclusively for the sponsoring institution. Additional employment for an international visitor is possible only with approval of an additional petition of the USCIS.

8.3 Tax Implications

Refer to sections 2.5 – 2.7 to determine whether federal income tax, FICA tax, and/or state and local income tax apply to the type of payments being made to the international visitor. In addition, H-1B visa holders are subject to FICA withholding. It is important to note that any change of visa status to H-1B status must be communicated to CU's international tax specialists immediately.





Section 9: Tax Treaties

Residents of certain foreign countries may be entitled to reduced tax rates, or exemption from tax, under an applicable tax treaty between their country and the United States. **The hosting department or international visitor must make an appointment with a CU international tax specialist to determine treaty eligibility.**

Notification that the visitor qualifies for a reduced rate of income tax withholding, or exemption from income tax withholding, must be received before this exemption can be granted. The visitor also must submit certain IRS forms (Form W-8BEN or Form 8233, and a required IRS statement — see Publication 519, or obtain the appropriate statement letter from a CU international tax specialist, Appendix A, section 1.4 — depending on the type of payment the visitor is receiving) that authorize the university to grant treaty exemption.

It is important to note that simply because a treaty exists between the United States and the international visitor's country of residence does not always mean the types of payments made by CU to the visitor are exempt from tax under their country's tax treaty. In addition, certain countries place specific dollar limitations on the amount of money that can be exempt from tax under their treaties.

See Appendix C for a list of tax treaties currently enforced between the United States and other countries.





Appendix A: Offices Providing Additional Assistance

1. University Offices

1.1 Immigration and Visa Status

CU-Boulder

International Student and Scholar Services
Center for Community (C4C, Suite S355)
2249 Willard Loop Drive
Boulder, CO 80309-5185
Phone: 303-492-8057
Web: www.colorado.edu/oie/iss/index.html

CU Denver & CU Anschutz

Phone: 303-315-2230
Web:

www.ucdenver.edu/academics/internationalprograms/oia/iss/pages/iss.aspx

CU Denver

International Student and
Scholar Services
1380 Lawrence St., Suite
932
Denver, CO 80204

CU Anschutz

International Student and
Scholar Services
13001 E. 17th Pl.
Building 500, 8th Floor
Aurora, CO 80045





UCCS

Global Engagement Office
1420 Austin Bluffs Parkway
Copper House 9202
Colorado Springs, CO 80918
Phone: 719-255-5018
Web: www.uccs.edu/~international/

1.2 Payment Processing and Withholding – Employee Wages, Independent Contractors, Honoraria

International Tax Specialists
Employee Services
1800 Grant St., Suite 400
Denver, CO 80203
Denver Phone: 303-860-4345
Boulder Phones: 303-735-5534; 303-735-0816
Web: www.cu.edu/international-tax
Appointment scheduling: <https://booknow.appointment-plus.com/43rspqeq/>

1.3 Payment Processing and Withholding – Fellowships, Scholarships

CU-Boulder

Bursar's Office
Regent Administrative Center, Room 150
Boulder, CO 80309
Phone: 303-492-5381
Web: bursar.colorado.edu

CU Denver

Bursar's Office
1201 Larimer St.
Student Commons Building, Suite 5123
Phone: 303-315-1800
Web: www.ucdenver.edu/student-





[services/resources/CostsAndFinancing/StudentBilling/Pages/default.aspx](https://www.ucdenver.edu/student-services/resources/CostsAndFinancing/StudentBilling/Pages/default.aspx)

CU Anschutz

Bursar's Office

13120 E. 19th Ave.

Education 2 North, Room 3120A

Aurora, CO 80045

Phone: 303-724-8034

Web: [www.ucdenver.edu/student-](https://www.ucdenver.edu/student-services/resources/CostsAndFinancing/Pages/CostsFinancing.aspx)

[services/resources/CostsAndFinancing/Pages/CostsFinancing.aspx](https://www.ucdenver.edu/student-services/resources/CostsAndFinancing/Pages/CostsFinancing.aspx)

UCCS

Bursar's Office

1420 Austin Bluffs Parkway

Main Hall, Room 209

Colorado Springs, CO 80918

Phone: 719-255-3391

Web: www.uccs.edu/~bursar

1.4 Tax Laws and Treaties

International Tax Specialists

Employee Services

1800 Grant St., Suite 400

Denver, CO 80203

Denver Phone: 303-860-4345

Boulder Phones: 303-735-5534; 303-735-0816

Web: www.cu.edu/international-tax

Appointment scheduling: <https://booknow.appointment-plus.com/43rspqeq/>

2. Government Offices

2.1 Internal Revenue Service – Foreign Tax Customer Service

Philadelphia, PA

Phone: 215-516-2000 (not a toll-free number)

Web: www.irs.gov



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2.2 **Colorado Department of Revenue**

Boulder and Denver: 303-232-2416

Colorado Springs: 719-542-2920

Web: www.colorado.gov/revenue

2.3 **Social Security Administration**

Boulder, Colorado Springs and Denver: 1-800-772-1213

Web: www.ssa.gov



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Appendix B: IRS Forms and Publications

Copies of the following, current IRS forms and publications are available online at www.irs.gov.

Form Number	Form Name
8233	Exemption from Withholding on Compensation for Independent Personal Services of Nonresident Alien Individual
W-4	Employee's Withholding Allowance Certificate
W-7	Application for IRS Individual Taxpayer Identification Number
W-8BEN	Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding
W-9	Request for Taxpayer Identification Number and Certification

Taxpayers can also order IRS forms and publications by calling the IRS at 1-800-829-3676.

Additional useful forms and publications available from the IRS for international visitors include:

Form Number	Form Name
1040C	U.S. Departing Alien Income Tax Return
1040NR	U.S. Nonresident Alien Income Tax Return
1040NR-EZ	U.S. Nonresident Alien Income Tax Return for Certain Aliens with no Dependents
2063	U.S. Departing Alien Income Tax Statement (Certificate of Compliance)
8843	Statement for Exempt Individuals and Individuals with a Medical Condition
8833	Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)





Publication Number	Publication Name
513	Tax Information for Visitors to the United States
515	Withholding of Tax on Nonresident Aliens and Foreign Corporations
519	U.S. Tax Guide for Aliens
520	Scholarships and Fellowships
901	U.S. Tax Treaties





Appendix C: Tax Treaties Currently in Place

There are currently tax treaties in place between the United States and the following countries. For complete details on these treaties, visit the [IRS' tax treaty website](#).

Armenia	Indonesia	Romania
Australia	Ireland	Russia
Austria	Israel	Slovak Republic
Azerbaijan	Italy	Slovenia
Bangladesh	Jamaica	South Africa
Barbados	Japan	Spain
Belarus	Kazakhstan	Sri Lanka
Belgium	Korea	Sweden
Bulgaria	Kyrgyzstan	Switzerland
Canada	Latvia	Tajikistan
China	Lithuania	Thailand
Cyprus	Luxembourg	Trinidad
Czech Republic	Malta	Tunisia
Denmark	Mexico	Turkey
Egypt	Moldova	Turkmenistan
Estonia	Morocco	Ukraine
Finland	Netherlands	Union of Soviet
France	New Zealand	Socialist
Georgia	Norway	Republics (USSR)
Germany	Pakistan	United Kingdom
Greece	Philippines	United States
Hungary	Poland	Model
Iceland	Portugal	Uzbekistan
India		Venezuela

Benefits of tax treaties vary widely depending on the particular country involved.

IRS Publication 901 summarizes the benefits to nonresident aliens of tax treaties applicable to them. Please be advised, however, that Publication 901 provides only general guidance and may provide assistance with respect to a particular individual's specific circumstances.





Appendix D: Compliance Statement for Payments to Visitors in Business or Tourist Status

Eligibility for payments: Visitors in business or tourist status (B-2, WB, WT) may be paid honoraria or reimbursed for travel expenses if: a) the visitor is engaged in the activity being compensated for any portion of nine days or fewer; AND b) the visitor has not been paid or reimbursed by more than five other U.S. institutions or organizations during the past six months.

Visitor Information

Last name (family name) _____
as stated on Social Security card of individual taxpayer identification documents

First name (given name) _____
as stated on Social Security card or individual taxpayer identification documents

Social Security number _____ **or Individual Taxpayer ID number**

Dates of activity for which visitor is being paid _____

Visa status _____ **Brief description of the activity (below):**

Statement of Visitor: I attest that I have been engaged in the activities described above for the benefit of the University of Colorado for any portion of nine days or fewer, and that I have not been paid or reimbursed by more than five other institutions/organizations during the past six months.

Signature _____ **Date** _____

Statement of Department Head or Fund Administrator: As a sponsor of the above individual, I attest that the individual has been engaged in the activities described above for the benefit of the University of Colorado for any portion of nine days or fewer, and that the activities for which the individual is paid or reimbursed are within the broad realm of customary academic activities associated with teaching, research, public service, or academic administration or operations.

Signature _____ **Date** _____

Please attach a signed copy of this statement to the white paper voucher or travel expense voucher.



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Appendix E: University Policy for Issuing Temporary Identification Numbers

Memorandum

TO: Payroll Liaisons, Department Chairs, Deans, Directors

FROM: Mark Stanker, Director, Payroll & Benefit Services
Lawrence Bell, Director, Office of International Education, UCB
Elizabeth Bedient, Director, International Scholars and Students Office, UCDHSC
Christopher Johnson, Director, International Education, UCDHSC
Irene Martinez, Coordinator, International Student Services, UCCS

SUBJECT: Social Security Administration Delays in Social Security Number Issuance to International Employees

DATE: July 1, 2005

Introduction

An employer can hire and pay an individual who does not have a Social Security number. There is no federal law administered by any federal agency that prohibits the hiring of an individual based solely on the fact that the individual does not have a Social Security number. Similarly, there is no federal law that prohibits making payments to an individual based solely on the fact that the individual does not have a Social Security number.

However, there are federal laws and regulations that require reporting of a payee's taxpayer identification number—either a Social Security number or an individual taxpayer identification number (ITIN)—on federal information returns and payee statements such as forms W-2 (Wage and Tax Statement) and 1042-S (Foreign Person's U.S. Source Income Subject to Withholding). Failure to report the required information can result in the imposition of fines and penalties on the reporting entity. In order to prevent this result, payroll systems commonly have edits in place to





prevent payments to individuals who do not have valid taxpayer identification numbers.

Delay in Social Security Number Issuance to International Employees

International employees who are authorized to work under immigration law are eligible to apply for a Social Security number. Although many employees will be able to obtain a Social Security number in a reasonable period of time, there may be a substantial delay in receiving a Social Security number because of new screening processes instituted by the Social Security Administration (SSA). Under the new screening processes,

- The individual is required to present immigration documents to the SSA office in person.
- The SSA is required to verify an alien's immigration documents and status with the United States Citizenship and Immigration Services (USCIS – formerly the INS)/Department of Homeland Security (DHS) before processing a Social Security number.
- The USCIS/DHS clearance process is done first by using the USCIS/DHS “S.A.V.E.” database, based on the I-94 card that is issued at the port of entry.
- If the applicant cannot be verified in the SAVE database, a fax or mail verification system begins. F and J visa holders must be verified by a USCIS office in Los Angeles. Other visa holders are verified by the local USCIS office (in our case, Denver).
- Applicants are being told by the SSA that additional USCIS/DHS clearance steps may delay Social Security number issuance eight to 12 weeks or more. The best estimation at this time is that for individuals in the Denver/Boulder area, most screening will occur within two weeks.
- Additionally, the SSA will not issue a Social Security number unless the applicant can document employment.





Assignment of Temporary Identification Numbers for the University's Payroll Purposes

Employers such as the university normally require each employee to provide a valid Social Security number for payroll purposes. An employee who has been hired without a Social Security number should apply for one as soon as possible. However, if this is the person's first time in the United States as an employee (F1/J1/H1/O1/TN visa holder), it is recommended that he or she wait 10- 14 days after arrival in the United States or change of nonimmigrant status before visiting a SSA office to apply for a Social Security number, to ensure that the USCIS has sufficient time to enter the entry data into the SAVE database so the SSA can verify his or her immigration information.

There is usually a two-to-four-week period after the international employee's start date before the university's first payroll deadline. If the Social Security number can be obtained within that time frame, the employee's information can be entered into the payroll system using the normal policies and processes.

If the employee has not been able to obtain a Social Security number after 30 days of employment, Employee Services will assign a temporary identification number for payroll purposes under the process described below.

Process to Centrally Assign a Temporary Identification Number for Payroll Purposes

1. Upon employment by the university, an employee must apply for a Social Security number as soon as possible. However, if this is the person's first time in the United States as an F1/J1/H1/O1/TN visa holder, he or she should wait 10-14 days after arrival in the United States before visiting a SSA office to ensure that the SSA can access his or her entry information in SAVE.
2. An employee who does not have a Social Security number after 30 days of employment **must** submit to Employee Services a copy of the letter received when the Social Security number application process is initiated. This will begin





the process to establish a temporary identification number.

3. Employee Services will require that the individual sign a document stating that if a valid Social Security number is not obtained within an eight-week period, he/she acknowledges the position effectively may be terminated. (Employee Services may place the individual on short work break, stopping pay.)
 - Employee Services staff will work with the International Student and Scholar Services (ISSS) Office or its equivalent on each campus to inform it of individuals whose HR status is pending termination. In circumstances where the employee has encountered a long delay in obtaining a Social Security number, ISSS will begin a dialog with Employee Services regarding a possible extension to the eight-week period.
 - Note: Placing the individual on short work break does not discontinue his/her benefits and employer contribution to benefits plans. This remains a policy question for the institution.
4. Employee Services will assign the temporary identification number for HR/payroll activities, to be used in CU's human resources system. The individual who receives a temporary identification number will receive documentation of the number, and should provide it to his or her departmental payroll liaison. A numbering sequence will be established so that these temporary identification numbers can be readily identified for later follow up and cleanup.
5. The departmental payroll liaison will enter appointment data in the payroll system **using the temporary identification number**.
6. A Form W-4, Employee's Withholding Allowance Certificate, must be submitted by the employee to the university as the employer. A Form W-4 that does not report the employee's Social Security number is an invalid Form W-4, per federal tax regulations. Therefore, for employees with no Social Security number, the employer is required to withhold on the employee's wages at the





rate of single-filing status with zero personal exemptions. Withholding at that rate must continue until the employee submits a properly completed Form W-4 (i.e., with his or her Social Security number).

7. Treaty benefits, if available, cannot be extended to the employee until all the required paperwork has been properly completed and processed. The paperwork cannot be properly completed until the employee has a valid taxpayer identification number – usually a Social Security number.
8. Once a valid Social Security number has been obtained, the employee will notify the department and Employee Services. Employee Services staff will begin the data clean-up process to move the payroll records from the temporary identification number to the valid Social Security number, assuring that W-2 and 1042-S reporting information will be correct. This process will be tracked within the international tax division of Employee Services. If the employee is eligible for treaty benefits, he or she should make an appointment with an Employee Services international tax specialist to discuss that and complete the required paperwork.
9. Interim data files sent to the Internal Revenue Service (IRS) and the SSA will include those individuals assigned temporary identification numbers as Social Security number equivalents. However, the temporary identification number cannot be used for tax reporting.
10. If payments to an individual with a temporary identification number are reported to the IRS on Forms W-2 or 1042-S, Employee Services will issue corrected forms to the individual and file the changes with the IRS when the individual obtains a valid Social Security number.
11. Within an established time frame (initially eight weeks), the individual assigned the temporary identification number must present a valid Social Security number. If the individual has not received a Social Security number after eight weeks, his or her employment status will be subject to review pending possible termination from employment with the university.





12. Enforcement of the requirement for an employee/visitor to obtain a valid Social Security number falls to a combination of the employee/visitor, ISSS offices on each campus, departmental payroll liaisons and Employee Services. The ISSS Office or its equivalent on each campus will be designated as the campus enforcement office for these actions. Employee Services staff will work with ISSS to inform its staff of individuals whose HR status is pending termination ***at the end of the eight-week period during which the temporary number is valid.***

