Paying Foreign Nationals

June 2012
<table>
<thead>
<tr>
<th>TIME</th>
<th>TOPIC</th>
<th>PRESENTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>10am-10:20am</td>
<td>Introduction &amp; Overview</td>
<td>Kate Zheng</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>International Center</em></td>
</tr>
<tr>
<td>10:20am-11:10am</td>
<td>• Visa Type</td>
<td>Linda Kentes</td>
</tr>
<tr>
<td></td>
<td>• Employment Eligibility</td>
<td><em>Michael Olech</em></td>
</tr>
<tr>
<td></td>
<td>• Q&amp;A</td>
<td><em>International Center</em></td>
</tr>
<tr>
<td>11:10am-11:50am</td>
<td>• Paying F-1 &amp; J-1 visa holders for employment and fellowship/scholarship income</td>
<td>Leslie Brown</td>
</tr>
<tr>
<td></td>
<td>• Paying nonresident aliens with the People Pay form</td>
<td><em>Lynn Mullaly</em></td>
</tr>
<tr>
<td></td>
<td>• Q&amp;A</td>
<td><em>Payroll Office</em></td>
</tr>
<tr>
<td></td>
<td>Evaluation &amp; Closing</td>
<td>Kate Zheng</td>
</tr>
</tbody>
</table>
Social Security Number

When is it required?

- Employment
- Fellowship (ITIN or SSN)

When is it not required?

- Registration for classes
- Banking
- Driver’s license

http://www.internationalcenter.umich.edu/taxes/taxssnabout.html
# Social Security Number Eligibility

## Who is eligible?
- F-1 students with employment
- J-1 students & scholars
- J-2 dependents with Employment Authorization Card (EAD)
- H-1B, TN, O-1
- Permanent residents

## Who is not eligible?
- F-2 dependents
- H-4 dependents
- TD dependents
- O-3 dependents
- B-1/B-2 business or pleasure visitors

[http://www.internationalcenter.umich.edu/taxes/taxssnelig.html](http://www.internationalcenter.umich.edu/taxes/taxssnelig.html)
Applying for a Social Security Number

Documents needed:
- Application for a Social Security Card form (SS-5)
- Passport & I-94 card
- Green card (for PR)
- I-20 form (for F-1 visa holders)
- DS-2019 form (for J-1 visa holders)
- H-1B/E-3/TN/O-1 petition approval notice
- Proof of employment eligibility (for F-1, J-1 and J-2 visa holders)

Letter of Ineligibility:
- Those who are not eligible for a social security number
- Driver’s license
- State ID

http://www.internationalcenter.umich.edu/taxes/taxssnapply.html
Individual Taxpayer Identification Number Workshops

Eligibility

- Do not have a SSN
- Spouse of F-1, J-1, H-1B, TN and O-1

Documents needed:

- W-7
- Passport
- Spouse must be present
- Children’s documents

http://www.internationalcenter.umich.edu/events/studeschol_workshops.html#itin
Resources

- Driver’s license written test & SSN application (or Letter of Ineligibility)
  - Tuesday August 28 & Thursday August 30
- U.S. Tax Withholding Forms workshops
  - [Link](http://www.internationalcenter.umich.edu/events/orientation_events.html)

- Taxes
  - GLACIER Tax Prep
  - State of Michigan Department of Treasury
  - [Link](http://www.internationalcenter.umich.edu/taxes/)
# UM Employment Eligibility for F-1 Students

<table>
<thead>
<tr>
<th>OPTIONS</th>
<th>ELIGIBILITY</th>
<th>MAXIMUM LENGTH</th>
<th>ADVANTAGES</th>
<th>DISADVANTAGES</th>
<th>DOCUMENTATION REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-campus Employment</td>
<td>Maintain legal F-1 status</td>
<td>• Up to 20 hours per week during the semester</td>
<td>Before completion of study:</td>
<td>Before completion of study, employment must be located on UM-Ann Arbor campus.</td>
<td>• Valid UM-Ann Arbor I-20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Full-time work allowed during annual vacation and semester breaks</td>
<td>• No permission required</td>
<td></td>
<td>• Valid passport</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Work need not be related to field of study</td>
<td></td>
<td>• I-94 card</td>
</tr>
<tr>
<td>Optional Practical Training (OPT)</td>
<td>Full time student for one academic year. Can do OPT:</td>
<td>• 12 months</td>
<td>• No job offer required</td>
<td>• Time used before completion of study will be subtracted from 12 months</td>
<td>• SEVIS I-20</td>
</tr>
<tr>
<td></td>
<td>• Part/full time during summer vacation; or</td>
<td>• Part time will be deducted at one half the full time rate</td>
<td>• Flexible</td>
<td>• Work must be related to the field of study</td>
<td>• I-765 and fee</td>
</tr>
<tr>
<td></td>
<td>• Part time while school is in session; or</td>
<td>• Must apply within 60 days of completion of study</td>
<td></td>
<td>• Application must be adjudicated by USCIS; this process may take several</td>
<td>• 2 passport style photos</td>
</tr>
<tr>
<td></td>
<td>• Part or full time after completion of coursework (excluding thesis or the equivalent); or</td>
<td>• Some students may be eligible for additional 17 months of OPT</td>
<td>months</td>
<td></td>
<td>• OPT recommendation request form</td>
</tr>
<tr>
<td></td>
<td>• Full time after completion of study</td>
<td></td>
<td></td>
<td></td>
<td>• Letter from academic advisor</td>
</tr>
</tbody>
</table>

- For detailed information, please refer to the specific handout for each option below (except on-campus employment).
- Please visit [www.internationalcenter.umich.edu](http://www.internationalcenter.umich.edu) for requirements of maintaining legal F-1 status.
I-20 for F-1 students
(page 1)

MUST be issued by UM
(see item #2)
Employment Authorization Card (EAD)
Employment Authorization Card (EAD)
DS-2019 for J-1 students OR scholars MUST be issued by UM
look at item #2

Exchange visitor category (see item #4): student OR scholar (professor, research scholar, short-term scholar)
International Faculty and Staff

- Overview of Individuals Eligible and Not Eligible to Work in the US
- Examples of Common Work Authorized Visa Types at U of M
- Resources
# Employment Overview

## Individuals Authorized to Work in the U.S.:

- H-1B, TN, and O-1 Visa Holders
- Individuals Going Through the Permanent Resident Process with EAD cards
- US Permanent Residents (Green Card Holders)

## Individuals Typically Not Authorized to Work in the U.S.:

- Dependent Family Members (H-4, TD, and O-3) unless possess EAD card
- Visitors for Business or Pleasure (B-1/B-2 visa holders)
Example: H-1B

- Temporary worker in a Specialty Occupation
- Employer and date specific (both listed on Approval Notice)
- Must have valid UM H-1B Approval Notice, or if transferring to UM, Receipt Notice from UM H-1B filing
- H-4 Dependents are not authorized to work in US
Example: O-1

- Temporary worker in the extraordinary ability category
- Employer and date specific (both listed on Approval Notice)
- Must have valid UM O-1 Approval Notice
- O-3 Dependents are not authorized to work in US
Example: TN

- Temporary worker under the Trade NAFTA category
- Only available to citizens of Canada and Mexico
- Employer and date specific (both listed on I-94 card)
- Must have valid UM TN I-94 card
- TD Dependents are not authorized to work in US
Example: Permanent Resident

- PR’s have unlimited work authorization.
- Work authorization is not Employer or date specific
- PR card expiration dates just ensure individuals get new cards, status never expires
- While going through PR process, individuals can get to point where receive work authorization in form of EAD card. EAD cards are not employer specific, but are date specific. EAD cards allow everyone to work – even if previously unable (H-4, O-3, TD, etc.)
Resources

International Center, Faculty and Staff Immigration Services (FSIS):

- Phone: (734) 763-4081
- Fax: (734) 615-2200
- Email: icfacultystaff@umich.edu
- Website: http://www.internationalcenter.umich.edu/
Paying nonresident aliens that are students or teacher/researchers at the University of Michigan

- F-1 students employed on campus
- J-1 teacher/researchers employed on campus
- F-1/J-1 students receiving fellowship/scholarship income

- Paying nonresident aliens with the People Pay form
F-1 Student Employment

- Does the student have a social security number?
  - If yes, student can complete paperwork for payroll department
  - If no, student should obtain a SSN before completing paperwork for payroll department
  - Not currently having a SSN will not prevent the student from being paid
Once a SSN is obtained the following forms should be completed:

1) Alien Certificate
2) Federal Form W-4 and Michigan Form MI-W4
3) If student is from a tax treaty country a Form 8233 and attachment

These forms can be found on the payroll website under ‘Foreign Students, Faculty & Staff’, Required Tax Forms, under Student Employees.
APPENDIX III – Page 1

THE UNIVERSITY OF MICHIGAN - PAYROLL OFFICE
ALIEN CERTIFICATE

PLS PRINT

1. Name: ________________________________________________________________________________

NAME OF Nonresident Alien

1. Last

2. First

3. Middle

SSN or ITIN

Name Security Number

I certify that I am a resident of the country of

1. ________________________________________________________________________________

I arrived in the United States on ___________ Month Day Year

I left the U.S. on ___________ Month Day Year

I remain in the United States in the visa type of

1. ________________________________________________________________________________

I certify that any current type of visa is:

1. ________________________________________________________________________________

2. ________________________________________________________________________________

3. ________________________________________________________________________________

4. If you are eligible to claim a non treaty exemption as a nonresident worker, you must file a Form I-711 with the proper statement for your country of residence. If you are eligible to claim a non treaty exemption as a student, you must file a Form I-20 with the proper statement for your country of permanent residence. If you are eligible to claim a non treaty exemption as a fellowship student, you must file a Form WS-BID. All forms are available on the Payroll website at http://payroll.anr.msu.edu/forms.html.

5. I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE, ALL OF THE INFORMATION I HAVE PROVIDED ABOVE IS TRUE, CORRECT AND COMPLETE.

Date ___________ Year: ___________

Alien Certificates 05/04
NRA Federal Form W-4
F-1 Student Employment

- Is the student from a tax treaty country?
- List of tax treaty countries can be found on the payroll website under ‘Foreign Students, Faculty & Staff’, Tax Treaty Country List & Information, Wages Paid to Students
## Countries with Tax Treaty Provisions Relating To Students With Wages (partial list)

<table>
<thead>
<tr>
<th>Country</th>
<th>Tax Treaty Year</th>
<th>Tax Limit</th>
<th>Attachment Form</th>
<th>Tax Treaty Article #</th>
<th>Special Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>$8,000</td>
<td>No Limit</td>
<td>8233-OO</td>
<td>21(2)</td>
<td>b, e</td>
</tr>
<tr>
<td>Barbados</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>i</td>
</tr>
<tr>
<td>Belgium</td>
<td>$9,000</td>
<td>5</td>
<td>8233-MM</td>
<td>21(1)</td>
<td>b, g, h</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>$9,000</td>
<td>No Limit</td>
<td>8233-NN</td>
<td>19(1)</td>
<td>b, h</td>
</tr>
<tr>
<td>Canada</td>
<td>$10,000</td>
<td>5</td>
<td>8233-LL</td>
<td>XV</td>
<td>b, c</td>
</tr>
<tr>
<td>China, P. R.</td>
<td>$5,000</td>
<td>No Limit</td>
<td>8233-A</td>
<td>20©</td>
<td>b, d, e, h</td>
</tr>
<tr>
<td>Germany</td>
<td>$9,000</td>
<td>4</td>
<td>8233-K</td>
<td>20(4)</td>
<td>a, f, h</td>
</tr>
</tbody>
</table>
F-1 Student Employment

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 reestablishing 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.
German Attachment to Form 8233

ATTACHMENT TO FORM 8233
STUDENT

(For use by students of Germany who are claiming Tax Treaty exemption).

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

2. I am temporarily in the United States for the primary purpose of studying at The University of Michigan.

3. 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 Germany in an amount not in excess of $9,000 for any taxable year. I have not previously claimed an income tax exemption under this treaty for income received as a student before the date of my arrival in the United States.

4. I arrived in the United States on ____________________ (date of last arrival in the U.S. prior to beginning study at The University of Michigan). The treaty exemption is available only for compensation paid during a period of four taxable years, beginning with the taxable year that includes my arrival date. If your visit to the United States exceeds four years, the tax treaty exemption is lost retroactively. You will be responsible for paying taxes on all income received during the previous four years.

Under penalties of perjury, I declare that the above statements are true, correct, and complete.

Name:_________________________ Signature:____________________________
Soc. Sec. #___________________ Date:____________________________
Form 8233

APPENDIX III – Page 2

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

Who Should Use This Form?
Note: For definitions of terms used in this section and detailed instructions on required withholding items and the type of prints, see definitions on pages 1 through 3 of the instructions.

| 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 delete 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. |
| 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

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

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

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

APPENDIX III – Page 3

Part I: Claim for Tax Exempt Expenditure

11 Compensation for independent personal services: $ [ ]
   a. Description of personal services you are providing ...
   b. Total compensation you expect to be paid for these services in 2023 or tax year ...
   c. Total compensation listed on the line above that is subject to tax under the treaty ...
   d. Country of permanent residence ...
   e. Reason for receiving compensation under the treaty ...
   f. Are you compliant with forms 1099 through 1099, including compensation for personal services from the same withholding agent ...

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

13 Non-compensatory 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 the line above that is subject to tax under this treaty ...

14 Sufficient facts to justify the assumption that withholding claimed on line 12 and line 13 (see instructions) ...

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

16 Number of personal exemptions ...

17 Daily personal exemption amount claimed (see instructions) ...

18 Total personal exemption amount claimed. Multiply line 17 by the 13% ...

Part II: Certification

I certify 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 hereby authorize the release of any information this form contains.

[ ] I am the beneficial owner of the tax treaty shares of the corporation.

[ ] The beneficial owner is a United States person.

[ ] The beneficial owner is a resident of the United Kingdom listed on the tax treaty.

[ ] The beneficial owner is subject to the tax treaty.

[ ] The beneficial owner is the beneficial owner of the shares of the corporation.

[ ] The beneficial owner is the beneficial owner of the corporation.

[ ] The beneficial owner is the beneficial owner of the corporation.

Signature ...

Part IV: Withholding Agent Acceptance and Certification

Name ...

Phone number ...

Second party's signature ...

Date ...

Date of receipt

Form 8233: Form 8233 - Instructions: Form 8233 - Instructions
F-1 Student Employment

Summary of paperwork.

- If student is **not** from a tax treaty country
  1) Obtain Social Security number
  2) Alien Certificate
  3) Federal Form W-4 & Michigan Form MI-W4

- If student **is** from a tax treaty country
  1) Obtain Social Security number
  2) Alien Certificate
  3) Federal Form W-4 & Michigan Form MI-W4
  4) Form 8233 and attachment
  
  - The form 8233 and attachment must be sent in for each calendar year
J-1 Teacher/Researcher Employment

- Does T/R have a social security number?
  - If yes, T/R can complete paperwork for payroll department
  - If no, T/R should obtain a SSN before completing paperwork for payroll department
- Not currently having a SSN will not prevent the T/R from being paid
Once a SSN is obtained the following forms should be completed:

1) Alien Certificate with DS-2019 attached

2) If the T/R is **not** from a tax treaty country complete Federal Form W-4 and Michigan Form MI-W4

3) If the T/R is **is** from a tax treaty country complete a Form 8233 and attachment

These forms can be found on the payroll website under ‘Foreign Students, Faculty & Staff’, Required Tax Forms, under Teacher/Researcher
The J-1 T/R’s Alien Certificate, Federal Form W-4, Michigan Form MI-W4 and Form 8233 are completed the same way as an F-1 student.

The T/R has different tax treaty countries and Article numbers than F-1 Employment payments.

List of tax treaty countries can be found on the payroll website under ‘Foreign Students, Faculty & Staff’, Tax Treaty Country List & Information, Salaries Paid to Teacher/Researchers.
### J-1 Teacher/Researcher Employment

#### Countries with Tax Treaty Provisions Relating To Teacher/Researchers (partial list)

<table>
<thead>
<tr>
<th>Country</th>
<th># Years Limit</th>
<th>Attachment Form</th>
<th>Tax Treaty Article #</th>
<th>Special Restrictions (see below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>2</td>
<td>8233-P</td>
<td>VI(1)</td>
<td>e, g, h</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>2</td>
<td>8233-P</td>
<td>VI(1)</td>
<td>e, g, h</td>
</tr>
<tr>
<td>China</td>
<td>3</td>
<td>8233-W</td>
<td>19</td>
<td>b, e, i</td>
</tr>
<tr>
<td>Greece</td>
<td>3</td>
<td>8233-Y</td>
<td>XII</td>
<td>c</td>
</tr>
<tr>
<td>India</td>
<td>2</td>
<td>8233-AA</td>
<td>22</td>
<td>d, e</td>
</tr>
</tbody>
</table>
J-1 Teacher/Researcher Employment

a. 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.
b. The tax treaty with the People’s Republic of China does not include residents of Hong Kong or Taiwan.
c. The treaty is available to teachers. Researchers are not included in this treaty.
d. If the individual’s visit exceeds two years, the tax treaty exemption is lost retroactively.
e. 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.
f. May only claim treaty exemption once in a lifetime.
g. The Commonwealth of Independent States (CIS) still using the former USSR/US treaty are: Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan.
h. If claiming back-to-back student/teacher, 5 year total limit on treaty benefits.
i. Student & teacher benefits may not be claimed back-to-back without re-establishing home country residency. It takes 365 days to re-establish residency.
J-1 Teacher/Researcher Employment

Attachment to form 8233
Teachers/Researchers

(For use by teachers/researchers from India who are claiming Tax Treaty exemption.)

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

2. I am visiting the United States for the purpose of teaching or conducting research at The University of Michigan. I will receive compensation for my teaching or research activities.

3. The teaching or research compensation received during the entire tax year (or during the period from ________________ to ________________) for these activities qualifies for exemption from withholding of federal tax under the tax treaty between the United States and India.

4. Any research I perform will be undertaken in the public interest and not primarily for the private benefit of a specific person or persons.

5. I arrived in the United States on ________________. The treaty exemption is available only for compensation paid during a period of two years beginning on that date. **If your visit to the United States exceeds two years, the tax treaty exemption is lost retroactively. You will be responsible for paying taxes on all income received during the previous two years.**

Under penalties of perjury, I declare that the above statements are true, correct, and complete.

Name: ___________________________ Signature: ___________________________
Soc. Sec. #: _____________________ Date: ___________________________
**J-1 Teacher/Researcher Employment**

**Summary of paperwork**

- If teacher/researcher is **not** from a tax treaty country
  - 1) Obtain Social Security number
  - 2) Alien Certificate with DS-2019 attached
  - 3) Federal Form W-4 & Michigan Form MI-W4

- If teacher/researcher **is** from a tax treaty country
  - 1) Obtain Social Security number
  - 2) Alien Certificate with DS-2019 attached
  - 3) Form 8233 and attachment
    - The form 8233 and attachment must be sent in for each calendar year
Is recipient eligible to obtain a social security number?

- All J-1 visa holders are eligible to obtain an SSN.
- F-1 visa holders are only eligible if they have employment. If the F-1 visa holder is only receiving fellowship/scholarship payments they are not eligible to obtain an SSN.
- If eligible for SSN, complete paperwork after receiving the number. If not eligible for SSN, complete paperwork without the number.
The following forms should be completed:

1) Alien Certificate and if a J-1 visa holder also attach the DS-2019
2) If recipient is not from a tax treaty country no other forms are needed
3) If recipient is from a tax treaty country complete a Form W-8BEN
4) If recipient is from a tax treaty country and ineligible for a SSN they need to complete a Form W-7 (ITIN application)

These forms can be found on the payroll website under ‘Foreign Students, Faculty & Staff’, Required Tax Forms, under Student on Fellowship/Scholarship
F-1s/J-1s Fellowship/Scholarship

- Fellowship/Scholarship payments have different tax treaty countries and Article numbers than F-1 Employment and Teacher/Researcher payments.

- List of tax treaty countries can be found on the payroll website under ‘Foreign Students, Faculty & Staff’, Tax Treaty Country List & Information, Fellowship/Scholarship payments.
## Countries with Tax Treaty Provisions Relating To Fellowship/Scholarship Grants (partial list)

<table>
<thead>
<tr>
<th>Country</th>
<th>Tax Treaty Limit</th>
<th>Tax Year Limit</th>
<th>Tax Treaty Article #</th>
<th>Special Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>$10,000</td>
<td>5</td>
<td>VI(1)</td>
<td>d</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>$10,000</td>
<td>5</td>
<td>VI(1)</td>
<td>d</td>
</tr>
<tr>
<td>China</td>
<td>No Limit</td>
<td>No Limit</td>
<td>20(b)</td>
<td>b, c</td>
</tr>
<tr>
<td>Germany</td>
<td>No Limit</td>
<td>No Limit</td>
<td>20 (3)</td>
<td>c</td>
</tr>
<tr>
<td>Israel</td>
<td>No Limit</td>
<td>5</td>
<td>24 (1)</td>
<td></td>
</tr>
</tbody>
</table>
a. Tax Year Limit includes the year of entry into the U.S.
b. The tax treaty with the People's Republic of China does not include residents of Hong Kong or Taiwan.
c. Students may use an otherwise unlimited treaty for a maximum of 6 years at the University of Michigan.
d. The Commonwealth of Independent States (CIS) still using the former USSR/US treaty are: Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Uzbekistan.
e. Tax Year Limit may extended for the additional time needed to complete degree requirements if student is continuing on as a graduate level student.
W-8BEN

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

Part I - Identification of Beneficial Owner (See Instructions)

1. Name of individual or organization that is the beneficial owner

2. Country of incorporation or organization established in

3. Type of beneficial owner:
   □ Individual
   □ Corporation
   □ Partnership
   □ Estate or Trust

4. Permanent residency within the United States, or in a U.S. possession, or in a U.S. commonwealth:
   Yes
   No

5. City or town, state or province, and postal code where appropriate:

6. Additional information (if desired):

Part II - Claim of Tax Treaty Benefits (if applicable)

9. I certify that:
   □ The beneficial owner is a resident of [Name of country] for tax reasons (within the meaning of the income tax treaty between the United States and that country).
   □ The beneficial owner is covered by the income tax treaty between the United States and that country.
   □ The beneficial owner is not a U.S. person.
   □ The beneficial owner is not a U.S. person who is a foreign shareholder of a U.S. corporation or a U.S. partnership.
   □ The beneficial owner is a corporation that is a qualified pension plan.
   □ The beneficial owner is an organization that is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

10. Declaration of tax treaty benefits:

Part III - National Principal Contracts

11. Signature of beneficial owner or authorized representative for beneficial owner.

Part IV - Certification

12. Certification statement:

   [Signature]
   Date: [Date]

ForBF-Slatter Tax Returns, see separate instructions.
If recipient is not eligible for a SSN and is from a tax treaty country they will need to apply for an Individual Tax Identification Number (ITIN). To apply for an ITIN they need to complete a Form W-7.

The Form W-7 is completed at the payroll office. Recipient must make an appointment with the payroll office and complete the form there. Contact Kim Hassan at khassan@umich.edu or Leslie Brown at leslibro@umich.edu to make an appointment and bring passport, Visa, I-94 and I-20 along with alien certificate and W-8BEN.
W-7

Application for IRS Individual Taxpayer Identification Number

For use by individuals who are not U.S. citizens or permanent residents. See instructions.

Before you begin:
• Do not submit this form if you have, or are eligible to get, a U.S. social security number (SSN).
• Getting an TIN does not change your immigration status or your right to work in the United States and does not make you eligible for the earned income credit.

Reason you are submitting Form W-7: Read the instructions for the box you check. Caution: If you check box b, e, f, g, you must file a tax return with Form W-7 unless you meet one of the exceptions (see instructions).

Name
First name
Middle name
Last name
Applicant's mailing address
City or town, state, and province, and country. Include ZIP code or postal code where appropriate.
Foreign (non-U.S.) address (if different from mailing address)
City or town, state, and province, and country. Include ZIP code or postal code where appropriate.
Birth information
Country of birth
Other information
Social security number
City and state or province (optional)
Date of birth (month/day/ year)

Sign Here

Keep a copy for your records.
Name and type of agent
Date (month/day/year)
Phone number
For Paperwork Reduction Act Notice, see separate instructions.
Cat. No. 10334
Form W-7 (Rev. 1-2010)
F-1s/J-1s Fellowship/Scholarship

Summary of paperwork

- If recipient is a J-1 and not from a tax treaty country
  - 1) Obtain Social Security number
  - 2) Alien Certificate with DS-2019 attached
- If recipient is a F-1 and not from a tax treaty country
  - 1) Alien Certificate
- If recipient is a J-1 and from a tax treaty country
  - 1) Obtain Social Security number
  - 2) Alien Certificate with DS-2019 attached
  - 3) Form W-8BEN
- If recipient is a F-1 and from a tax treaty country
  - 1) Alien Certificate
  - 2) Form W-8BEN
  - 3) Make appointment with payroll office to complete Form W-7 (ITIN) application and bring passport, Visa, I-94 and I-20

  - The form W-8BEN only needs to be completed once
Paying NRAs using PeoplePay

- Use the PeoplePay tool to pay Non-Resident Aliens (NRA’s) for services or honorarium.
- You can access the tool thru Wolverine Access, Faculty and Staff, PeoplePay. This tool is to pay individuals only.
- By following the tool, most likely you will end up with the form “Payment to Non-Employee for Services”.
- The form that says “Taxable Services” will sometimes also be used. For example, if the NRA was teaching a class.
Payment to Non-Employee for Services

- Both of these forms ask you to attach an Alien Certificate (AC) plus form 8233, if appropriate.
- “If appropriate” for the 8233 means, does the person have a U.S. SSN or ITIN AND are they from a treaty country? If yes, then complete both forms.
- If no, then only complete the Alien Certificate.
- Always attach the Alien Certificate, even for those who did the work in their home countries and did not enter the U.S.
### Alien Certificate

**The University of Michigan - Payroll Office**

**Alien Certificate**

If you are not a citizen of the United States, you must complete this Alien Certificate. Return the completed Alien Certificate to:

Payroll Office, G395 Wolverine Tower, 309 E. State St., Ann Arbor, MI 48109-1279 or via fax (734) 647-3983.

**Please Print**

**SECTION I** – To be completed by all non-residents (even those who do not enter the U.S.)

Name: 

<table>
<thead>
<tr>
<th>Last</th>
<th>First</th>
<th>Middle</th>
<th>Social Security Number</th>
</tr>
</thead>
</table>

I certify that I am a resident of the country of:  

<table>
<thead>
<tr>
<th>UMID</th>
</tr>
</thead>
</table>

**SECTION II** – Complete this section only if you have entered the United States.

Include your original date of entry, date of Visa change if any, and any time you were gone from the U.S. for 365 days or more.

<table>
<thead>
<tr>
<th>I entered the United States on (check one)</th>
<th>I left the U.S. on (check one)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Day</td>
</tr>
<tr>
<td>VISA Type</td>
<td>Month</td>
</tr>
</tbody>
</table>

If Resident Alien, check reason:

1. Lawful Permanent Resident (Green Card)  
2. Substantial Presence Test

I certify that my type of VISA is:  

- [ ] 1  
- [ ] 2  
- [ ] Other (specify)  

If you are eligible to claim a tax treaty exemption as a teacher/researcher, you must file a Form 8233 with the proper attachment for your country of residence. If you are eligible to claim a tax treaty exemption as a student, you must file a Form 8233 with the proper attachment for your country of permanent residence. If you are eligible to claim a tax treaty exemption as a fellow, stipend, or scholarship, you must file a Form W-8-BEN. All forms are available on the Payroll website at [http://payroll.umich.edu/taxinfo.html](http://payroll.umich.edu/taxinfo.html).

**SECTION III** – I certify that to the best of my knowledge all of the information I have provided above is true, correct, and complete.

Date: 

[Signature]

Alien Certificate 10/11
NRAs and Taxes

☐ If they were able to complete both forms, then the NRA will NOT have to pay any U.S. taxes.

☐ Otherwise the tax they must pay is 30% for Federal withholding and 4.35% for Michigan withholding.

☐ The Department may chose to “gross up” the amount so the NRA may receive the net amount but remember that to do that is costly to the department.
Payment to Non-Employee for Services

- All PeoplePay payments to foreigners will be paid thru the Payroll office. The person does not need a vendor number. (The only exception to that is if they are getting a reimbursement of expenses (receipts required) and in that case they will need a vendor #.)

- A UMID # will be assigned to them once Payroll receives the PeoplePay form.
Applying for an ITIN

☐ If the person wants to apply for an ITIN, you need to contact the Payroll Office prior to their arrival (if possible.) They will set up a time for you to come to the Payroll office with the foreigner to complete all the paperwork.

☐ The paperwork to apply for an ITIN needs to be done while the foreigner is still here in the U.S. Contact Kim Hassan or Debbie Timpf in the Payroll office for help with any ITIN issues.
PeoplePay Award Form

- Once you have completed the PeoplePay form and attached the needed documents, route the form to the Payroll office for processing as noted in the routing instructions.

- Same rules apply for the form “Request or Record Payment for Awards, Prizes or Gifts” if you are awarding something to a foreigner. Please be sure that the award is not something that needs to go thru Financial Aid. If you are unsure, contact Financial Aid office for assistance before completing this form.
Contact Information

University of Michigan Payroll Office:

- Kim Hassan, Payroll Specialist Senior
  - Phone: (734) 763-6106
  - Email khassan@umich.edu

- Debbie Timpf, Payroll Specialist
  - Phone (734) 764-1485
  - Email timpfd@umich.edu

- Leslie Brown, Payroll Tax Supervisor
  - Phone (734) 936-3512
  - Email leslibro@umich.edu

- Lynn Mullaly, Payroll Manager
  - Phone (734) 647-3964
  - Email lynnnull@umich.edu
Resources

Payroll Office:

- Service Center Phone: (734) 615-2000 option 2
- Fax: (734) 647-3983
- Email: payroll@umich.edu
- Website: http://www.payroll.umich.edu/
Thank you!

Please complete the evaluation.