

December 1, 1999

**UNIVERSITY CONTROLLER'S MEMORANDUM #04 (1999-2000)**

TO: Deans, Directors, and Department Heads

FROM: Larry D. Reese, Assistant Vice President and Controller

SUBJECT: Revised Special Withholding Instructions for Nonresident Alien Employees

This memorandum supercedes University Controller's Memorandum #05 (FY 1996-97) entitled "Special Instructions for Completing IRS Form W-4 Withholding Certificate by Nonresident Alien Employees". The revision is necessary due to recent IRS rule changes.

Payments to nonresident alien employees are subject to special withholding rules. In general, additional amounts must be withheld, their filing status is restricted, and the number of allowable exemptions is limited. This is required because nonresident aliens cannot claim the standard deduction. The information from the Form W-4 is used during payroll processing to calculate the amount of income tax withholding unless the employee has claimed a tax treaty exemption.

The Form W-4 for a nonresident alien must:

1. Indicate only "Single" or "Married Claiming Single" marital status (regardless of actual marital status).
2. With some exceptions claim only one withholding allowance. The Internal Revenue Code allows taxpayers from Canada, Mexico and U.S. Nationals to claim personal exemptions for their spouses and children under certain conditions. Tax treaties with Japan and South Korea allow taxpayers from those countries (under certain conditions) to claim personal exemptions for their spouse and children. The tax treaties with Barbados, Hungary, and Jamaica allow students (not teachers/researchers) to elect to be treated as residents of the U.S. tax treaty with India allows nonresident alien students from India to claim the the Standard Deduction, and thus additional withholding amounts are not required.
3. May not claim "exempt" withholding status.
4. May not claim the Earned Income Credit unless married to an U.S. citizen and elects to be taxed as a resident alien for the entire year.
5. Effective January 1, 2000 the amount of additional withholding that must be withheld from the wages of nonresident alien employees will increase. This

change will require departments to obtain a new Form W-4 from all nonresident aliens (unless they are from one of the countries listed in 2 above). The new additional withholding amount is \$16.00 per pay period. Nonresident alien employees who do not file a revised W-4 as discussed above may have federal income taxes withheld at the rates pertaining to single status, zero exemptions allowed in accordance with instructions issued by the State Comptroller's Office.

If you have any questions concerning this memorandum, please contact Mike Ballow at 644-9464 or e-mail [mballow@admin.fsu.edu](mailto:mballow@admin.fsu.edu)

cc: President

Vice Presidents