Overview/Description
This job aid provides data entry guidance for foreign national employees in the following categories:

− Without a GLACIER tax analysis and no valid W-4.
− Identified by GLACIER as Nonresident Alien with no tax treaty.
− Identified by GLACIER as Nonresident Alien with a tax treaty.
− Identified by GLACIER as Resident Alien with no tax treaty.
− Identified by GLACIER as a Resident Alien with a tax treaty.

Use the Job Data page to update FICA and the Update Employee Tax Data page to populate the Federal and State Tax Data. The Payroll panels will be used to maintain correct tax status information for foreign national (FN) employees.

Conditions
− The Internal Revenue Service (IRS) requires employers to apply US withholding and reporting rules consistent with the foreign national employed person’s US tax status (resident alien or nonresident alien). Resident aliens are taxed like US citizens, while nonresident aliens are taxed under different withholding and reporting rules. An employee’s US tax status depends on their US immigration status and length of US presence.
− Both nonresident and resident aliens may be entitled to tax exemptions depending on their US tax status or an applicable tax treaty, or both. Foreign national employees within the University System of Georgia have access to a computerized tax compliance system called GLACIER.
− Since immigration status and US presence may change the way a person is taxed, foreign national employees are requested to complete and provide electronically a form (via GLACIER) with accurate up-to-date information at the time of the initial appointment and then again just before the end of each calendar year. This will enable the University to verify the correct taxation status and any applicable tax exemptions. Without this data, USG schools must tax the foreign national at the highest withholding rates per IRS regulations.

Source Documents
Obtain the following information:

− See the HR job aid, HR_JA037 Citizenship/Passport & Visa/Permit Data for Foreign National Employees and Affiliates, for guidance on the necessary process and immigration documentation for foreign national alien employees.

− All foreign national employees, except Lawful Permanent Residents (green card holders) and refugees/asylees are required to have a GLACIER tax analysis completed. See the sample GLACIER tax summary form on page 5.

− Special Note on US Social Security Numbers (SSN): It is not a condition of employment that a USG employee have an SSN prior to employment in any area of the University System of Georgia. A ‘dummy’ SSN can be assigned for a foreign national at the time
of employment and replaced by a US SSN (PS: “National ID Type”) once received from the Social Security Administration. Dummy SSNs should not be used for US Citizens.

Instructions

Navigation

NavBar > Navigator > Payroll for North America > Employee Pay Data USA > Tax Information > Update Employee Tax Data

1. Federal and State Tax Setup for a New Foreign National Alien:
   - Without GLACIER tax analysis and no valid W-4.
   - GLACIER analysis – Nonresident Alien (NRA) with no tax treaty.

The changes you make will be effective the entire pay period inclusive of the Effective Date you entered on the Federal Tax Data page. If changes are needed to existing tax panels, click the plus sign (+) to insert a new row.

A new 2020 W-4 is being released as this job aid is being written in December 2019. It may introduce changes to this job aid that cannot be anticipated at this time.

Important

NRA/single/1 is used for new foreign national alien employees without a GLACIER analysis to prevent employees from updating their status in ESS. An employee who is None/single/0 can change their withholding in ESS and place the USG in a position of noncompliance.

1.1. Federal Tax Data Tab

   a. In the Federal Withholding Elements section, enter the following data:
      - **Special Withholding Tax Status:** Select “Nonresident alien (NRA).”
      - **Tax Marital Status:** Select “Single.”
      - **Withholding Allowances:** Enter “1.”
      - **Exempt from FUT:** This can be automated for an NRA. Send a ticket to the OneUSG Connect oneusgsupport@usg.edu for an update to your configuration in HPROD.

   b. In the Tax Treaty/Non-Resident Data section, enter the following data:
      - **Country:** Select the country of citizenship.
      - **Treaty ID:** Select “No Treaty.”
      - **Form W-9 Received:** Use Default “No.”
- **NRA Withholding Rule**: Use Default “Subject to Rule.”
1.2. State Tax Data Tab

Update the GA Marital Status and Withholding Allowances to reflect the federal page.
- **Resident**: By default, this is selected, click to deselect.
- **Exempt from SUT**: Click to select.
- **Special Withholding Tax Status**: Nonresident alien (Fed rules)
- **Tax Marital Status**: For this example, select “S” (Single allowance).
- **Withholding Allowances**: For this example, enter “1.”

**FICA Exemption**
- OneUSG defaults all employees subject to FICA.
  - F-1 and J-1 students are nearly all exempt from FICA—this will need to be edited to read as exempt.
  - J-1 non-students will default as subject to FICA until tax analysis is complete and many will be exempt from FICA.
    - (Intern, Professor, Research Scholar, Short-term Scholar, Specialist)
  - All other Foreign National employees will be subject to FICA
- Refer to step 6, *Updating FICA withholding for Nonresident Aliens (NRAs) for tax purposes on the Job Data Panel.*
Sample GLACIER Tax Summary Form

Tax Summary Report

Summary of Information Entered Into GLACIER™:

| Name: |  |
| Country of Tax Residence: | China, People’s Republic of |
| Country of Citizenship: | China, People’s Republic of |
| Current Immigration Status: | F1 Student |
| Date of Entry to U.S.: | August 10, 2018 |
| Immigration Status Expiration: | August 31, 2020 |
| Original Immigration Status: |  |
| GTIN#: |  |

Tax Determinations and Results: Based on the data entered, GLACIER has made the following determinations:

| Residency Status Change Date: | July 3, 2022 to Resident Alien |
| Residency Status Start Date: | January 1, 2022 to Resident Alien |

Compensation/Wages/Salary

| Applicable Tax Withholding Rate: | Single, 1(Bi-Weekly) |
| Tax Treaty Exemption Status: | Taxable (Did Not Renew) |
| Tax Treaty Time Limit: | Not Applicable |
| Tax Treaty Exemption Period: | Not Applicable |
| Tax Treaty Dollar Limit: | Not Applicable |

FICA Tax Status: Exempt

FICA Tax Start/Change Date: January 1, 2022

Required Forms and Document Copies: Attach the following Forms and Documents to the Tax Summary Report:

**Required Forms:**
- Form W-4

**Required Document Copies:**
- Form I-901
- Form I-94I-94W Card
- Visa Sticker/Stamp (in Passport)

Certification

I hereby declare that the information provided by me to Georgia Tech and/or entered into the GLACIER Online Tax Compliance System for purposes of making the tax determinations above is true and correct. If any of the information provided changes or if other relevant information becomes available, I will notify Georgia Tech as soon as possible so that this information and/or my U.S. tax status may be updated.

Signature:  
Date:  

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2. **Federal and State Tax Setup for a Foreign National Alien** with a GLACIER tax analysis who is a **Nonresident Alien (NRA)** for tax purposes with a tax treaty.

### 2.1. Federal Tax Data Tab

- **Federal Withholding Elements** section, enter the following data:
  - **Special Withholding Tax Status**: Select “Nonresident alien (NRA).”
  - **Tax Marital Status**: Select “Single.”
  - **Withholding Allowances**: Enter “1.”
  - **Exempt from FUT**: This can be automated for an NRA. Send a ticket to OneUSG Connect oneusgsupport@usg.edu for an update to your configuration in HPROD.

- **Tax Treaty/Non-Resident Data** section, enter the following data:
  - **Country**: Select the country of citizenship.
  - **Treaty ID**: Select appropriate value from drop down menu, often “TIAS.”
  - **Form W-9 Received**: Use Default “No.”
  - **NRA Withholding Rule**: Use Default “Subject to Rule.”

- **Education and Government** section, enter the following data:
  - **Income code**: Per the GLACIER Tax Summary Form (OneUSG Connect now has correct IRS codes).
  - **Date of Entry**: Defaults with the date of entry.
  - **Treaty Expiration Date**: Normally the end of tax year (see GLACIER Tax Summary Form).
  - **Form 8233 Received**: Select “Yes” for tax treaty.
  - **Form 8233 Effective Date**: Enter the same date as **Date of Entry**, except when updating for a new tax year. You can pre-date for January 1 of the new tax year.
  - **Form 8233 Exp Dt**: Normally the end of the tax year (see GLACIER Tax Summary Form).
  - **Form W-8 Received**: Use Default “No.”
2.2. State Tax Data Tab

Update the GA Marital Status and Withholding Allowances to reflect the federal page.
- **Resident:** By default, this is selected, click to deselect.
- **Exempt from SUT:** Click to select.
- **Special Withholding Tax Status:** Nonresident alien (Fed rules)
- **Tax Marital Status:** For this example, select “S” (Single allowance).
- **Withholding Allowances:** For this example, enter “1.”
3. **Unique Foreign National Tax Situation #1**

If the GLACIER tax summary report says that a foreign national employee is a **student from India**, there is a special tax treaty that makes them 'exempt' from the normal NRA withholding rates. You enter them as an NRA, but then you select “Exempt from Rule.”

![Image of GLACIER screen showing tax determinations and results]

**Federal Withholding Elements** section:
- **Special Withholding Tax Status**: Select “Nonresident alien (NRA).”
- **Tax Marital Status**: Select “Single.”
- **Withholding Allowances**: Enter “1.”
- **Exempt from FUT**: This can be automated for an NRA. Send a ticket to OneUSG Connect oneusgsupport@usg.edu for an update to your configuration in HPROD.

**Tax Treaty/Non-Resident Data** section:
- **Country**: India
- **Treaty ID**: Select “No Treaty.”
- **Form W-9 Received**: Use Default “No.”
- **NRA Withholding Rule**: Select “Exempt from Rule.”
4. **Federal and State Tax Setup for a Foreign National Alien** with a GLACIER tax analysis who is a **Resident Alien (RA)** for tax purposes with **no** tax treaty.

Treat these foreign national employees equal to US citizen employees for tax purposes. The Federal and State tax panels will be populated based on a W-4 and G-4. If the employee was a **Nonresident Alien (NRA)** for tax purposes, you will need to add a row on the federal and state tax panels to stop NRA status.
5. **Unique Foreign National Tax Situation #2**

Resident Alien with a tax treaty benefit: PeopleSoft requires you to report them as an NRA with a treaty benefit. Refer to step 2 and add the following W-9 details.
6. Updating FICA withholding for Nonresident Aliens (NRAs) for tax purposes on the Job Data Panel.

Navigation
NavBar > Navigator > Workforce Administrator > Job Information > Job Data

6.1. Work Location Tab

a. Click the plus sign (+) to insert a new row.
b. Enter the following data:
   - **Action**: Enter “Data Change.”
   - **Reason**: Enter “Update Data.”

6.2. Payroll Tab

Per the GLACIER tax summary report – if the foreign national is exempt from FICA, select “Exempt” for **FICA Status**. Refer to the ! Important note on page 2.
7. Warning Messages:

You may encounter the following Warning Messages. Foreign national tax specialist will normally click OK and follow-up with HR as needed.

**Message**

Warning -- You have set the treaty country (IND) different then the country in employee's home address (USA) (1500,72)

The treaty country that you have entered is not the same as the country entered into the employee's home address record. You may want to update the employee's Personal Information or change the treaty country.

[OK] [Cancel]

**Message**

Warning -- This employee doesn't have a Visa for the USA, please check/update your records. (1500,75)

There are no Visa entries with a country code of USA with a Visa Permit Type of Visa established for this employee. Update the employee's Visa data with appropriate information to support this treaty.

[OK] [Cancel]

The message below will be eliminated when you submit a ticket to oneusgsupport@usg.edu and ask that your configuration be change in HPROD to automate the update to FUT on the Federal Tax panel.

**Message**

Warning -- This employee has a valid Visa and FUT Exempt is not set to "Y". (1500,76)

FUT Exempt needs to be set to Y when an employee has valid Visa detail and is set-up as a Non-Resident Alien.

[OK] [Cancel]
8. Queries:

Below are some queries that will assist you in identifying foreign nationals, nonresident aliens for tax purposes, FICA exempt employees, etc.

- **BOR_PY_NRA_W_FICA**
  NRA's not except from FICA

- **BOR_PY_FICA_STATUS_DTL_NOSTU**
  Non Students Exempt from FICA

- **BOR_PY_FICA_STATUS_DETAIL**
  Students Not Exempt from FICA

- **BOR_PY_STUDENT_WITH_SUI**
  Students Not Exempt from SUT

- **BOR_PY_STATE_SUI**
  EE's with SUI = Y

- **BOR_PY_NRA_EARNINGS_BY_RUNID**
  NRA Earnings by Pay Run ID