

## Appendix B: International Student Memo

TO: International Students  
FROM: Graduate Student Services Office

The Internal Revenue Service (IRS), the U.S. government tax authority, has issued strict regulations regarding the taxation and reporting of payments made to non-United States citizens. As a result, payments made to international students may be subject to U.S. income tax withholdings and income tax reporting to the IRS. The University has set up an online Tax Compliance System called GLACIER which helps managing tax liability in an efficient and effective way.

In order to comply with the U.S. tax laws, your U.S. Tax Status must be determined. GLACIER is a secure web based non-resident alien tax compliance system that foreign individuals use to provide their immigration and tax data to UC Berkeley. You must complete your record in GLACIER in its entirety to determine the proper tax residency status, applicable withholding tax rates and eligibility for tax treaty exemptions.

If you are a *Nonresident Alien for Tax Purposes*, you are subject to special tax withholding and reporting regulations; if you are a *Resident Alien for Tax Purposes*, you are taxed in the same manner as a U.S. Citizen.

As a *Nonresident Alien for Tax Purposes*, U.S. tax law requires that you be taxed in the following manner:

- If you receive Dependent Compensation (salary or wages), you are required to complete Form W-4NR/DE ([http://ucop.edu/financial-accounting/\\_files/taxation/w4nr.pdf](http://ucop.edu/financial-accounting/_files/taxation/w4nr.pdf)) as “Single” (regardless of your actual marital status) and “One” Personal Withholding Allowance (regardless of your actual number of dependents). Generally, as a non-resident alien, you are allowed withholding allowance of 0 or 1. Certain countries may have an exception to this requirement.
- If you receive a Scholarship or Fellowship (for which NO services are required), your scholarship or fellowship may consist of *Nontaxable items* (Tuition, Book allowance, Required Registration Fees, and Mandatory Health Insurance) or *Taxable items* (including, but are not limited to, room and board, stipend, living allowance, travel payment/reimbursement). If you are present in the U.S. under an F, J, M, or Q immigration status, the applicable rate of tax withholding is 14 percent; if you are present in the U.S. under any other immigration status, the applicable rate of tax withholding is 30 percent. If you receive an Honorarium, Guest Speaker Fee, Consultant Fees, Royalty, or any other type of income and you do not have an ITIN or SSN, the applicable rate of tax withholding is 30 percent.

AB540 (undocumented) Students are not required to complete tax forms via GLACIER. Graduate students who are Dream Act eligible and are receiving stipend awards in 2013-14 need to ask their academic department to inform the Graduate Fellowships Office. The Graduate Fellowships Office will notify the appropriate offices so that the award payment is released.

The U.S. maintains income tax treaties with approximately 63 countries. Certain taxable payments made to you may be exempt from U.S. tax based on an income tax treaty entered into between the U.S. and your country of tax residence. The existence of a tax treaty does not automatically ensure an exemption from tax withholding; rather, you must satisfy the requirements for the exemption set forth in the tax treaty and provide all applicable forms and documents to the UC Berkeley Payroll Office. You will also need a social security number (SSN) or an Individual Tax Identification Number (ITIN). Otherwise, the respective federal taxes will be withheld from your payments. Depending on the total annual U.S. income you receive and your tax status, you may be eligible for a refund of some or all of the taxes withheld when you file an income tax return.

A Social Security Number may be obtained when you are offered employment. To apply for an SSN, take a copy of your contract or offer letter to Berkeley International Office, located at 2299 Piedmont Avenue, for verification of your employment eligibility. You can then submit your application to the Social Security Administration Office on 2045 Allston Way in Berkeley. The status of receipt of your SSN application can be checked by calling 1-800-772-1213.

An ITIN may be obtained when you receive taxable income but have not secured employment, or when you file an income tax return. An individual can apply for an ITIN at the following locations: □ The Berkeley International Office with a SEVIS Advisor □ Any branch office of the Internal Revenue Service - the local office is located at 1301 Clay Street, suite 110S, Oakland CA 94612 □ Any US Consulate abroad.

Please follow the instructions on the ITIN application of the Internal Revenue Services (<http://www.irs.gov/pub/irs-pdf/fw7.pdf>). Be sure to notify the Registrars Office in 120 Sproul Hall when you receive an SSN or ITIN and update GLACIER. Please ensure that your SSN or ITIN is also updated in all the other systems for instance, HCM or PPS.

GLACIER is a secure online tax compliance system that the University uses to manage tax information of all foreign nationals who receive taxable payments from the University. All international students receiving taxable income from the University are required to complete a record. Your department support staff will complete the Initial GLACIER Information Form. You will receive a copy of the form as well as an email message from [support@online-tax.net](mailto:support@online-tax.net) with your logon ID and password to GLACIER. The 10-day requirement to submit your documentation will begin on the day you arrive in the U.S. If you do not provide the requested information within 10 days, the maximum amount of U.S. tax will be withheld from any payments made to you or payments will not be made to you. After entering all your information into GLACIER, print, review, sign and date the GLACIER Tax Summary Report and required forms and documents that GLACIER creates. Then forward those documents along with any required attachments noted on the GLACIER Tax Summary Report to the address indicated on the GLACIER Tax Summary Report Instructions. Please provide your Department with copies of all documents.

If you do not complete the information in GLACIER and/or submit the required forms and documents every calendar year in a timely fashion, the maximum amount of tax will be withheld from all payments made to you. In addition, your award will not be disbursed until the proper tax forms are completed and submitted. Therefore, please make certain you have enough funds to support yourself until fellowship payments can be made.

In addition, your eligible tax treaty exemption will not apply, if you do not have a SSN or ITIN, or have not updated the GLACIER and other UC systems.

For current information on issues of interest to international students, visit the Berkeley International Office website at <http://internationaloffice.berkeley.edu/> or call 510-642-2818. For information on payments, contact Arthur Quilao in the Payroll Office at 510-642-2836 or [glacieradmin@berkeley.edu](mailto:glacieradmin@berkeley.edu). For fellowship information, contact the Fellowships Office at 510-642-0672.