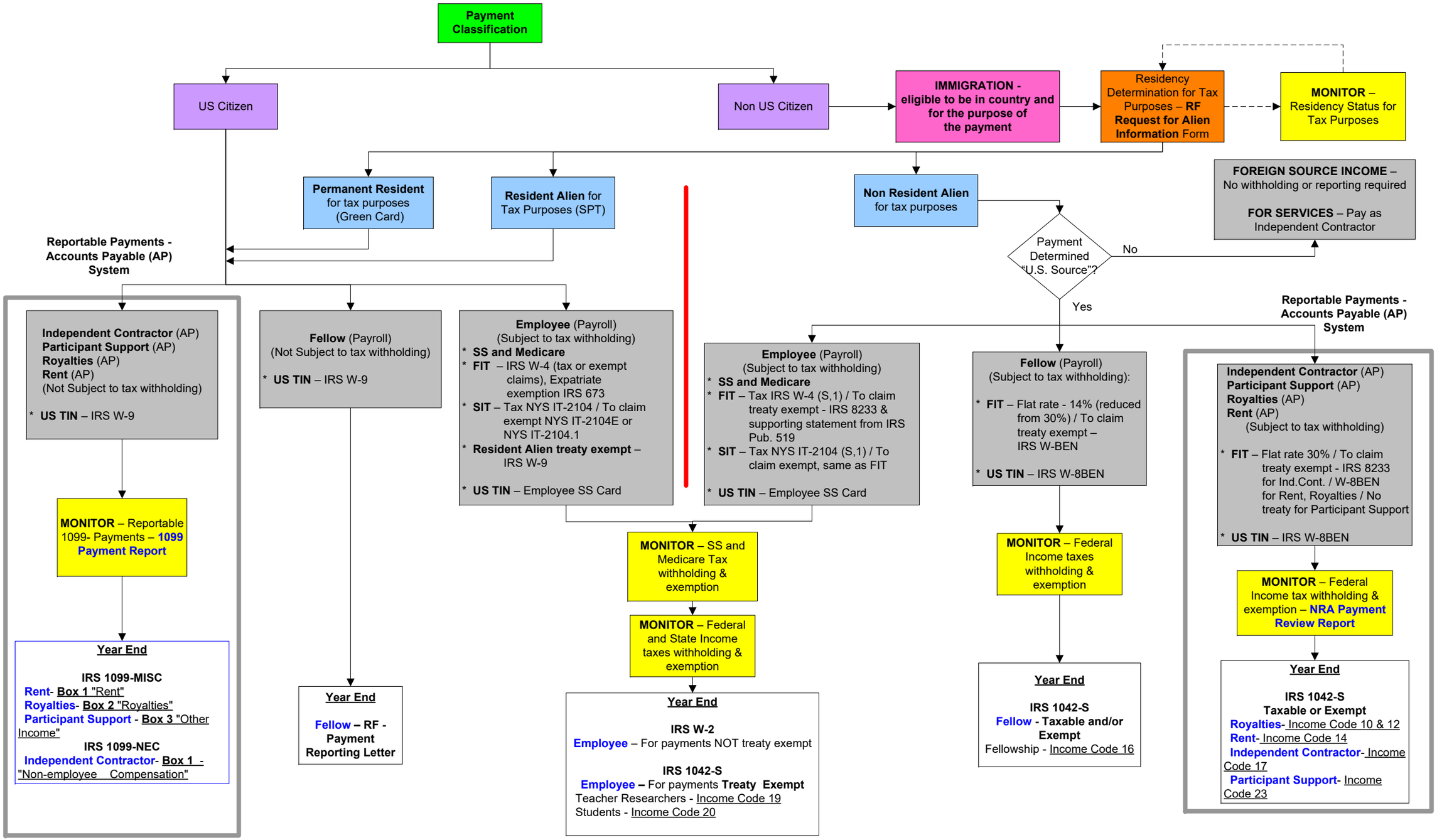
Payment Classification
US Citizen
Non US Citizen
IMMIGRATION - eligible to be in country and for the purpose of the payment
Residency Determination for Tax Purposes – RF Request for Alien Information Form
MONITOR – Residency Status for Tax Purposes
Permanent Resident for tax purposes (Green Card)
Resident Alien for Tax Purposes (SPT)
Non Resident Alien for tax purposes
FOREIGN SOURCE INCOME – No withholding or reporting required
FOR SERVICES – Pay as Independent Contractor
Payment Determined "U.S. Source"?
No
Yes
Reportable Payments - Accounts Payable (AP) System
Independent Contractor (AP)
Participant Support (AP)
Royalties (AP)
Rent (AP)
(Not Subject to tax withholding)
* US TIN – IRS W-9
MONITOR – Reportable 1099- Payments – 1099 Payment Report
Year End
IRS 1099-MISC
Rent- Box 1 "Rent"
Royalties- Box 2 "Royalties"
Participant Support - Box 3 "Other Income"
IRS 1099-NEC
Independent Contractor- Box 1 - "Non-employee Compensation"
Fellow (Payroll)
(Not Subject to tax withholding)
* US TIN – IRS W-9
Year End
Fellow – RF - Payment Reporting Letter
Employee (Payroll)
(Subject to tax withholding)
* SS and Medicare
* FIT – IRS W-4 (tax or exempt claims), Expatriate exemption IRS 673
* SIT – Tax NYS IT-2104 / To claim exempt NYS IT-2104E or NYS IT-2104.1
* Resident Alien treaty exempt – IRS W-9
* US TIN – Employee SS Card
MONITOR – SS and Medicare Tax withholding & exemption
MONITOR – Federal and State Income taxes withholding & exemption
Year End
IRS W-2
Employee – For payments NOT treaty exempt
IRS 1042-S
Employee – For payments Treaty Exempt
Teacher Researchers - Income Code 19
Students - Income Code 20
Employee (Payroll)
(Subject to tax withholding)
* SS and Medicare
* FIT – Tax IRS W-4 (S,1) / To claim treaty exempt - IRS 8233 & supporting statement from IRS Pub. 519
* SIT – Tax NYS IT-2104 (S,1) / To claim exempt, same as FIT
* US TIN – Employee SS Card
Fellow (Payroll)
(Subject to tax withholding):
* FIT – Flat rate - 14% (reduced from 30%) / To claim treaty exempt – IRS W-BEN
* US TIN – IRS W-8BEN
MONITOR – Federal Income taxes withholding & exemption
Year End
IRS 1042-S
Fellow - Taxable and/or Exempt
Fellowship - Income Code 16
Reportable Payments - Accounts Payable (AP) System
Independent Contractor (AP)
Participant Support (AP)
Royalties (AP)
Rent (AP)
(Subject to tax withholding)
* FIT – Flat rate 30% / To claim treaty exempt - IRS 8233 for Ind.Cont. / W-8BEN for Rent, Royalties / No treaty for Participant Support
* US TIN – IRS W-8BEN
MONITOR – Federal Income tax withholding & exemption – NRA Payment Review Report
Year End
IRS 1042-S
Taxable or Exempt
Royalties- Income Code 10 & 12
Rent- Income Code 14
Independent Contractor- Income Code 17
Participant Support- Income Code 23