Am I supposed to pay SOCIAL SECURITY & MEDICARE TAX?
If my employer took this tax out by mistake, how can I get it back?

What are Social Security (FICA) and Medicare Taxes?

Normally, Social Security (FICA) and Medicare taxes are deducted (or "withheld") from the salaries of persons working in the U.S. This money is used by the U.S. Government to make payments to other people who are retired or disabled. It is not put into an account for your own retirement. These taxes are separate from Federal Income Tax and the tax withheld is not listed on the annual Tax Return. No portion of these taxes is refunded to you, unless the tax was withheld by mistake. Social Security/Medicare tax is not withheld from unearned income (such as scholarships, dividends, lottery winnings etc.)

Who does NOT have to pay Social Security/Medicare tax?

If you have F-1 or J-1 status and you are a Tax Nonresident, Social Security/Medicare should normally not be withheld from your salary. This applies to salary from The University of Tennessee, as well as salary received while on Practical Training. If/when you become a Tax Resident, then you will have to start paying these taxes, unless another exemption applies to you.

Note that persons in J-2 status (and other immigration statuses) are not normally exempt from these taxes.

Full-time students who are employed part-time by the same institution where they are enrolled are also exempt from paying these taxes. This rule applies to U.S. Citizens and Tax Residents and other full time students regardless of immigration status.

How can I make sure my employer does not withhold this tax, if I am exempt?

If you are working for UTK, the Payroll Office does know the rules for exemption, and they will usually not withhold Social Security/Medicare taxes for people who are exempt. However, if you feel they have made a mistake, call the Payroll Office at 865-974-5251 or visit them at P115 Andy Holt Tower. If the mistake is caught soon enough, they can refund the money.

Most non-university employers will not know these rules for exemption (such as employers you have during Practical Training). If you believe you should be exempt from these taxes, ask your employer not to withhold them. When you first report to work. You can show them Pages 43-44 in IRS publication 519 (updated in January 2015) or Page 38 in IRS Publication 515 (2015 version) (download from www.irs.gov), or they can call the Social Security Administration to confirm your information. [See copy from Pub 519 on the back of this page] (IMPORTANT: Before you ask for this tax exemption, make sure that you are still a Tax Nonresident. If you are required to pay these taxes and your employer does not withhold them, both you and your employer can get in trouble.)

How Can I Get these taxes refunded if my employer withheld them by mistake?

If at all possible, ask your employer to refund the tax. This is, by far, the easiest method.

If your employer cannot or will not refund the taxes. You should complete IRS Form 843 and send it to the IRS in Philadelphia. Even this method normally requires you to get a letter from your employer.

Note: You may NOT claim a refund of these taxes on your regular Tax Return.

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