# Questions about your W-4

## INFORMATION FOR **TAX NONRESIDENTS** ONLY

### What is a W-4?

If you are employed by The University of Tennessee, U.S. law normally requires the university to **withhold** a portion of your salary from each paycheck to pay U.S. income tax. The **W-4** Form is used by the Payroll Office to calculate the amount to be withheld from your check.

### How should I complete the W-4?

**Check "single" even if you are married.** This is because most nonresidents may not claim exemptions for dependents. [A Resident may usually claim one "exemption" for him/herself and for each dependent. For each exemption, the taxable income is reduced by approximately $4050.]

Normally, you must then:
> Claim 1 exemption and write "NRA" in large letters on your W-4. Students (not scholars) from India may write "NRA-India" to indicate special benefits of the India tax treaty (see irs.gov).

**DO NOT CHECK "EXEMPT" ON LINE 7.**

### What does "NRA" mean?

"NRA" stands for "Nonresident Alien". The Payroll Office uses different withholding tables to calculate the amount of withholding for Tax Nonresidents. Remember that the IRS [Tax] definition of "Resident" and "Nonresident" is different than the USCIS (Immigration) definition.

### How do I know if I am a Resident or Nonresident for tax purposes?

The Center for International Education has separate handouts on this subject located at http://international.utk.edu/tax-information/. The UT Payroll Office should calculate your tax residency status based on your U.S. immigration history using a program called "**Glacier**". You will receive an email soon after starting your UT position. If you think your residency has been calculated this wrong, see Laura Tavassoli in P115 Andy Holt Tower (Phone 974-5251). If you believe that you are a Tax Resident, you should complete Form W-9 and submit it to the UT Payroll Office.

### Is the withholding amount higher or lower for Nonresidents?

If there is no tax treaty, the tax withholding amount (for federal income tax) is generally higher for nonresidents. This is because Tax Nonresidents may not claim the "standard deduction" as Residents may. However, exemptions can vary based on country tax treaties so check the details of your tax treaty with irs.gov.

Students (not scholars) from India **may** claim the standard deduction, which reduces the taxable income by approximately $6300 (in addition to the personal exemption of about $4050). (These amounts are valid for the year 2016) In other words, the tax withholding amount for Indian students will often be the same as it is for a Tax Resident.

**Remember that the amount withheld from your check will not affect the actual tax you must finally pay for the year.**

**Also remember that Tax Nonresidents with F-1 and J-1 status should not have Social Security Tax or Medicare tax withheld from their salary. The information given on the W-4 does not affect this exemption from Social Security Tax.**

### What if I do not have a Social Security Number (SSN)?

Go ahead and complete the W-4 and leave the Social Security Number blank. Do NOT use an ITIN or any number assigned by UT, and do NOT use any number assigned by your own government. As soon as possible, apply for an official SSN. When it is issued by the U.S. Government, immediately give it to the UT Payroll Office.

**What if I am claiming exemption from income tax under a tax treaty?**

If you will be claiming the benefits of a tax treaty, you must still complete a W-4 in the same way that other Nonresidents do (Except for Indian students)    If you have requested tax exemption under the treaty, using Form 8233, then no federal income tax will be deducted from your pay, as long as your treaty benefits last.   If/when your treaty benefits have run out, then the proper tax will be withheld from your check.

> **IMPORTANT:**        **Do not claim the treaty exemption on the W-4.**
> **You should NOT check "yes" on Question 7.**

Remember that you may still have to file an income tax return, even if no tax was withheld from your check, and even if you owe no tax.

**Will I get any of this money back?**

You will be required to file a tax return before April 15, if your income is higher than the personal exemption ($4050 for 2016).  When you fill out the tax return form (1040NR or 1040NR-EZ), you will calculate your correct income tax for the previous year.  If too much tax has been withheld during the year, you will get a partial refund.  If too little tax has been withheld, you will have to pay the extra amount with your tax return.

Note:   If your total income for the year is less than the amount of the personal exemption, you are not required to file a tax return.  However, the only way to get a refund of any tax withheld is to file a tax return.

**Are there any exceptions to these instructions?  Do they apply to everyone?**

There are some exceptions:

1.  A resident of Canada, Mexico, or Korea may claim one exemption each for eligible spouse and children.  For residents of Korea, dependents must be living in the U.S.  Example: If you are accompanied by your husband and three children, you may claim 5 exemptions, as long as your dependents are not claiming the exemptions themselves, and as long as they do not have any income of their own.   You should still write "NRA" on your W-4.

2.  A **student (not scholar)** who is a resident of India may claim one exemption for a spouse who is in the U.S. and not employed and for any child who is **not** in F-2 or J-2 status (including a U.S. citizen).

**NOTE:**  The above regulations apply only to persons who are Nonresidents for tax purposes.  When you become a Resident for tax purposes, you will probably have less federal income tax withheld from your salary, but you may begin to pay Social Security Tax.

**SAMPLE W-4**