

## HOW TO COMPLETE A W-4 FORM FOR YOUR J-1 PARTICIPANTS

The IRS provides the following instructions:

- Do not use the Personal Allowances Worksheet at the top of the W-4—this is for U.S. residents only
- Check only “Single” marital status on line 3, regardless of actual marital status
- Claim only one withholding allowance (enter “1” on line 5)
- Write “Nonresident Alien” or “NRA” above the dotted line on line 6 of Form W-4
- J-1 Visitors cannot claim “Exempt” withholding status on line 7

### Quick facts

The federal tax code requires that J-1 participants be treated as follows:

- J-1 participants must pay:
- o Federal income taxes
  - o State income taxes
  - o Local income taxes

- J-1 participants do not pay:
- o Social Security taxes
  - o Medicare taxes
  - o Federal unemployment taxes

Here is an example:

The image shows a Form W-4 (Employee's Withholding Certificate) with several callouts in blue boxes:

- Line 3:** A callout states: "All J-1 participants must check 'single' regardless of actual marital status." The form shows the "Single" box checked.
- Line 6:** A callout states: "If your J-1 participant has their SSN, they can write it here. If not, they must write 'Applied For'." The form shows "Nonresident Alien" written on the dotted line.
- Line 5:** A callout states: "All J-1 students must select '1' allowance in box 5, and write 'NRA' or 'Nonresident Alien' on the dotted line next to box 6." The form shows "1" in box 5 and "Nonresident Alien" on the dotted line.

What if I have been withholding FICA/FUTA from my J-1 participant’s paychecks?

You should change the employee’s withholdings for future paychecks, and issue them a refund of the total amount withheld in error. You can claim a refund of incorrectly paid FICA/FUTA taxes when filing your employer’s federal tax return. (See instructions for IRS forms 941 and/or 944 for more information.)

## CALCULATING FEDERAL WITHHOLDINGS FOR YOUR J-1 PARTICIPANTS

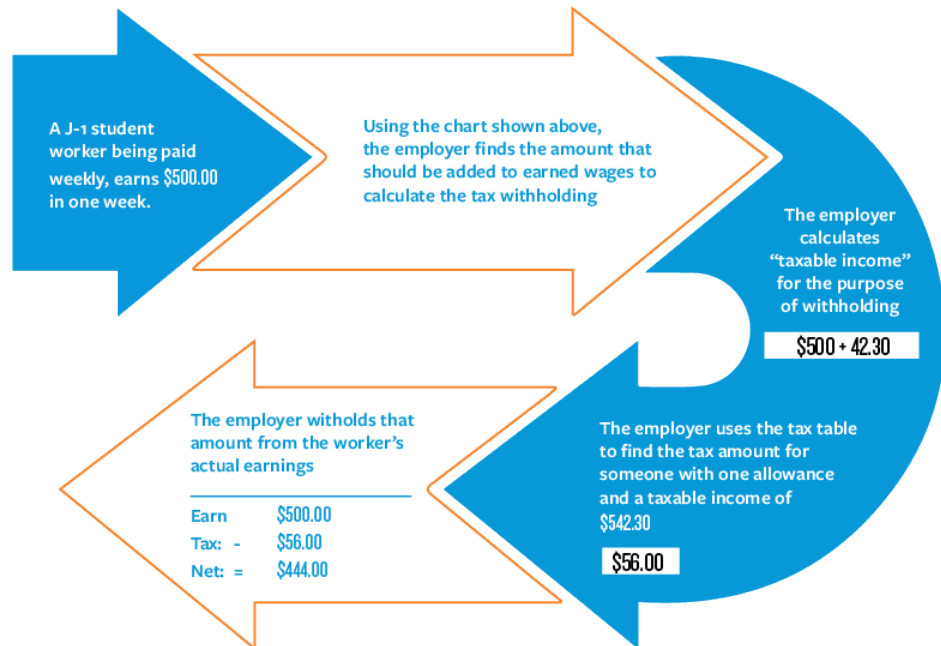
The following information may be useful to whomever is responsible for processing your payroll. It was gathered from [www.irs.gov](http://www.irs.gov) and is correct for tax year 2017. Tax withholding instructions change every year, and employers should be sure to check that they have the latest information. The IRS provides annual instructions to employers in Publication 15, Circular E, which is available at [www.irs.gov/businesses](http://www.irs.gov/businesses).

Employers must follow a special procedure for calculating the amount of federal income tax to withhold from the wages of their J-1 student participants. Employers must add an amount to the employee's wages before calculating how much tax to withhold. This extra amount is solely for calculating the withholding Federal income tax—it is not used when calculating Social Security/Medicare withholdings, does not increase the employee's tax liability, and should not be included on their W-2 form.

Payroll Period	Add Additional
Weekly	\$42.30
Bi-weekly	\$84.60
Semi-monthly	\$91.70
Monthly	\$183.30

The additional amount to withhold depends on the frequency of your payroll, as shown in the chart above right.

The example flowchart is for employers who use the "wage bracket" method for calculating withholdings. If you use the "percentage" method, CIEE recommends you consult the IRS or a tax professional to ensure that you withhold the correct amounts.



### After your J-1 participants return home

- You will need to send W-2 forms to your participants at the end of the tax year
- We recommend confirming your participants' addresses with them before they depart
- Contact CIEE if you need a participant's address and are having trouble contacting them

### Pro Tip

CIEE recommends Taxback.com for J-1 participants who are seeking assistance with their tax returns. Find out more at [www.taxback.com/ciee](http://www.taxback.com/ciee).