

## **Procedures for Paying Non-US Citizens (Foreign Nationals)**

The Internal Revenue Service (IRS), the U.S. government tax authority, potentially requires the taxation and reporting of payments made to non-United States citizens. The purpose of this document is to alert you to an internet-based software program that Pacific Lutheran University (PLU) is using to insure that we follow federal regulations regarding the reporting and taxation of any payments we make to non-US citizens. Before PLU can make any payments to such a person, certain information and forms must be provided in order to make correct tax withholding and reporting decisions. Upon receiving notification from the PLU department that wishes to pay a foreign national (student or otherwise), the Business Office sends an email message to the individual. For convenience sake, PLU allows such persons to provide the required information and complete the necessary forms via the Internet from any web-accessed computer using the GLACIER Online Tax Compliance System. Individuals must access GLACIER and provide the requested information within 5 business days of receiving an email message sent by the Business Office. If the person does not provide the requested information within 5 business days, the maximum amount of U.S. tax will be withheld from any payments made by PLU.

### **OVERVIEW OF GLACIER AND HOW IT WORKS:**

GLACIER Online Tax Compliance System ("GLACIER") is a comprehensive tax compliance system created by Arctic International LLC, and designed to provide a "beginning to end" tax compliance solution for entities that make payments to non-US citizens. From the moment an institution invites a foreign student, scholar, guest speaker or other international visitor, GLACIER begins collecting all the necessary relevant information. Once all the information is entered, GLACIER efficiently and effectively (i) makes tax residency, withholding, and income tax treaty determinations, (ii) manages paperwork, (iii) maintains data, and (iv) files reporting statements with the Internal Revenue Service and foreign national. Users may access GLACIER from anywhere in the world – all that is needed is a computer, a current web browser, and a printer. GLACIER utilizes the power of the Internet and electronic messaging to significantly reduce the administrative time and effort typically needed of the Institution Administrator in achieving compliance with this confusing area of the tax law. In rare instances, it may be necessary for the Institution Administrator to collect and enter the data into the GLACIER system for the foreign national. However, we believe the foreign student, scholar, speaker, etc. should be able to quickly utilize the full functionality of GLACIER by answering a few simple questions and entering his or her data directly into the online system. GLACIER, simply put, eliminates most of the "paperwork" in nonresident alien tax compliance.

If you have any questions or need additional information, please contact Gemma Dulay, Accounting Manager (253-535-8056) or [dulaygr@plu.edu](mailto:dulaygr@plu.edu), who is currently serving as the GLACIER system Institution Administrator.