

Procedures for Paying Non-US Citizens (Foreign Nationals)

The Internal Revenue Service (IRS) requires the taxation and reporting of payments made to non-United States citizens. The purpose of this document is to inform you that we do not have the Glacier Tax Compliance System anymore. Any department that wishes to pay a foreign national (student or otherwise) maintains the responsibility to collect relevant information and forms. This will ensure for the Business Office can make accurate tax withholding and reporting decisions.

Before PLU can make any payments to a foreign national, the following should be provided to the Business Office:

- Country of citizenship
- Visa type
- Permanent address
- Type of payment (i.e. honorarium, scholarship, travel reimbursement)
- Email address
- Department contact
- Form W-8BEN (if applicable)
- Honoraria Statement (if applicable)

In general, U.S. tax law requires that the foreign national be taxed as follows:

- If the payment is for scholarship or fellowship (for which NO services are required) under an F, J, M or Q immigration status, the applicable rate of tax withholding is **14%**.
- If the payment is for honorarium, guest speaker fee, or any other type of income, the applicable rate of tax withholding is **30%**.

For questions and additional information, please contact Gemma Dulay, Accounting Manager at (253)535-8056 or dulaygr@plu.edu.