



International Students: Taxes & Paid Internships

If you have a paid internship, there are some important things that you must communicate to your employer so that the correct taxes are withheld.

When you fill out the W-4 form prior to beginning work at the company, you should type the following on a piece of paper and present it to the employer:

"I am a non-resident alien with an F-1 (or J-1) visa. Section 3121 (b) (19) of the Internal Revenue Code and the regulations thereunder state that a NRA (non-resident alien) student on an F-1 (or J-1) visa is not liable for paying Social Security and Medicare taxes on wages for as long as she remains a non-resident alien under the residency rules stated in Section 7701 (b) of the Internal Revenue Code. I state that for the calendar year _____ (fill in the year) I was a non-resident alien student and not liable for Social Security and Medicare taxes."

To insure that the employer has an official document that confirms that you are a "non-immigrant alien", you should also see Lorraine Lacasse in Financial Services. Ask her to do a "substantial presence test" for you. She will print out some documents for you which you should show to your employer. These documents will confirm that you are a "non-immigrant alien" and, therefore, should NOT have Social Security or Medicare taxes taken out of your paycheck.

However, your employer must withhold other federal taxes from your paycheck. Otherwise, you may end up paying taxes that you didn't expect to pay! This has happened to MHC students in the past. When filling out your W-4 form for your employer, always check "single" (i.e., no dependents) with "0" exemptions. You cannot claim "tax exempt status."

You may also want to refer your employer to the following IRS publication for details about withholding taxes for non-resident aliens → <http://www.irs.gov/pub/irs-pdf/p515.pdf>

****VERY IMPORTANT**:** If you are working in a state other than Massachusetts, you may have to pay state taxes in that state. Make sure that you always give your employer the address at which you're living while doing the internship (NOT your Massachusetts address). Also, keep track of the dates of your internship (and the county in which you are working).

