

SYS 238-2: Requirements for Payments to Nonresident Aliens (NRA)

This is a checklist of documents required to be attached to the Payment to Individual Report (PIR) for different types of payments to Nonresident Aliens (NRA). For more information, refer to the UW-Madison [Nonresident Alien \(NRA\)](#) information page.

Payment for Services (Account Code 2620, 2621, 3840, 3845, etc.) See tax reportable account codes at [Tax Reportable Payments - Processing and Reporting](#)

These types of payments require that the Nonresident Alien (NRA) enter the U.S. on a current/valid U.S. Visa. The U.S. Visa must allow for specific payments. Refer to Appendix Sys 238-1 for payments allowed for each type of Visa type.

Forms to attach to the PIR:

- Legible copy of current original passport. Passport cannot be expired
- Visa
- Legible copy of printed I-94 plus Homeland Security Stamp in Passport or ESTA and Homeland Security Stamp in passport
- I-20 or DS-2019 if on an F-1 or J-1 Visa status
- IRS Form W-8BEN (for Individuals) or W-8BEN-E (for entities)
- Form 8233, Exemption from Withholding on Compensation, if tax treaty exemption applies. For Non-Employee payments made through Accounting Services: [Independent Contractors and Scholarships by Country](#). Form 8233 must have a U.S. Taxpayer Identification Number (SSN, ITIN) in order to grant a tax treaty. Without a U.S. Taxpayer Identification Number, a tax treaty cannot be granted by the UW System.
- To apply for an ITIN see [How to Apply for the Individual Taxpayer Identification Number \(ITIN\)](#) at the UW Madison website or visit the [IRS website](#).

Travel Reimbursement (Account Code 2162)

This type of payment is allowed for most visas. Refer to SYS 238 attachment 1 for information about restrictions on specific visa types. (UW need not be the sponsor of the visa). Canadian

citizens only may be reimbursed for travel expenses without a visa but must have the rest of the documents outlined below plus a copy of a driver's license .

Forms to attach to PIR:

- Legible copy of current original passport. Passport cannot be expired
- Visa
- Legible copy of printed I-94 plus Homeland Security Stamp in Passport or ESTA and Homeland Security Stamp in passport
- I-20 or DS-2019 if on an F-1 or J-1 Visa status
- IRS Form W-8BEN (for Individuals)
- To apply for an ITIN see [How to Apply for the Individual Taxpayer Identification Number \(ITIN\)](#) at the UW Madison website or visit the [IRS website](#).

Scholarships, Fellowships (Account Code 57xx):

Payments to Nonresident Aliens (NRA) to further their education, which do not have a service requirement and do not represent compensation for services to the university, are scholarship/fellowship aid/support payments. Payments of this type which do not pay for qualified expenses (qualified scholarships) are 1042-S reportable and normally subject to 14% federal tax withholding. These payments will flow through the [Payroll and Glacier systems](#). All payments to students must follow the guidelines/tool provided at [Payments to Students](#). These guidelines/tool provide assistance to users in determining the intent of a payment made to a student and the proper payment mechanism to use to make the payment to a student. It also provides guidelines for correct payment procedures to ensure compliance with all applicable federal, state, and UW rules and regulations.

Academic Prizes and Awards (Account Code 3750/3755)

This type of payment is allowed for most visas. Refer to Sys 238- Attachment 1 for payments allowed for each type of Visa type (UW System need not be the sponsor of the visa). Tax must be withheld at 30% on all prizes and awards. Treaties do not exempt or reduce withholding for this type of payment.

Forms to attach to PIR:

- Legible copy of current original passport. Passport cannot be expired
- Visa
- Legible copy of printed I-94 plus Homeland Security Stamp in Passport or ESTA and Homeland Security Stamp in passport

- I-20 or DS-2019 if on an F-1 or J-1 Visa status
- IRS Form W-8BEN (for Individuals)
- To apply for an ITIN see [How to Apply for the Individual Taxpayer Identification Number \(ITIN\)](#) at the UW Madison website or visit the [IRS website](#).

Research Subjects (Account Code 2637)

This type of payment is allowed for most visas. Refer to SYS 238 – Attachment 1 for payments allowed for each type of Visa type (UW System need not be the sponsor of the visa).

Forms to attach to PIR:

- Legible copy of current original passport. Passport cannot be expired
- Visa
- Legible copy of printed I-94 plus Homeland Security Stamp in Passport or ESTA and Homeland Security Stamp in passport
- I-20 or DS-2019 if on an F-1 or J-1 Visa status
- IRS Form W-8BEN (for Individuals)
- To apply for an ITIN see [How to Apply for the Individual Taxpayer Identification Number \(ITIN\)](#) at the UW Madison website or visit the [IRS website](#).

Reporting Requirements

Form 1042S

Each processing center will report all payments for services to Nonresident Aliens (NRA) and applicable withholding on IRS Form 1042S. These payments are reported to the Internal Revenue Services by the UW Service Center.

Withholding Requirements

Non-U.S. Resident Aliens (NRA)

The appropriate tax will be withheld based on IRS regulations unless a tax treaty is available between the U.S. and the recipient's home country of tax residency. Tax rates are 14% for Scholarships/fellowships and 30% for all other payment types.

Related links:

[Nonresident Alien \(NRA\)](#)

SYS 238- Attachment 1 FOREIGN NATIONALS IN NONIMMIGRANT VISA CLASSIFICATIONS WHO MAY BE LAWFULLY EMPLOYED &/OR STUDY IN THE U.S. WITH CERTAIN RESTRICTIONS

[UW- Madison Office of Tax Compliance and Reporting- Visa Restrictions and Resources](#)

[UW- Madison Office of Tax Compliance and Reporting- Nonresident Aliens](#)

[UW- Madison Office of Tax Compliance and Reporting- Tax Treaties](#)