The International Scholars Office presents…

Tax Information Session for International Faculty, Postdocs & Visitors

February 26 & March 13, 2019

Note: this workshop will not address enrolled students’ questions
For International Students

Glacier Tax Preparation software (for non-residents for tax purposes) is accessible through the International Students Office web site:  [http://web.mit.edu/iso/](http://web.mit.edu/iso/)

**Tax Information Session for Students**

**Wednesday, March 6** (Bldg10- Rm250)
- 5:00 to 6:30pm Nonresident Students
- 7:00 to 8:30pm US Citizen and Resident Student and Scholars

**Monday, April 1st** (Bldg10- Rm250)
- 5:00 to 6:30pm Nonresident Students
- 7:00 to 8:30pm US Citizen and Resident Student and Scholars

Presented by VPF and ISO with Q&A provided by PwC
Sponsored by VPF, ODGE, ISO, and ISchO, in collaboration with PwC
Beware of Tax Scam (Fraud)

- IRS will NEVER call or email directly to you to say that you owe money. If you are emailed by anyone claiming to be from the IRS, do not respond.

- Even if a caller has personal information about you, do not pay any money, buy/give a gift card number, or any information about yourself, or send any documents.

Who are “Scholars?”

- Postdoctoral Associates and Fellows
- Lecturers
- Visiting Scientists, Scholars, and Engineers
- Visiting Professors
- Others who have graduated and are now working at MIT
  - J-1, H-1, F-1 on Practical Training,
  - TN, O-1, B-1, etc.
ISchO Tax Website
http://web.mit.edu/scholars/intlscholars/taxes/index.html

- Tax Q & A for MIT International Scholars
- Tax Preparation Software and Comprehensive Tax Resources (Thomson Reuter Foreign National Tax Resources)
- List of Tax Specialist and Common Tax Forms
  e.g. IRS Publication 519 – U.S. Tax Guide for Aliens
  Publication 901 – U.S. Tax Treaties
- Social Security and Individual Tax Payer ID Number

“Filing a tax return” = Complete and submit tax form
Do I have to file a tax form of some kind??

- I received no funding from a U.S. source in 2018. **Yes**

- I lived in the U.S. in 2018, but I have already left MIT and I’m back in my home country now. **Yes**

- There is a tax treaty between the U.S. and my home country. **Yes**
For International Scholars

Thomson Reuters Foreign National Tax Resource (FNTR)
http://web.mit.edu/scholars/intlscholars/taxes/software.html

*2018 Tax preparation software will be available in the end of February!

MA State return will be available in March

Tax-related web site containing detailed information about Federal taxes, State taxes, residency for tax purposes, tax treaties, fellowships, frequently asked questions, and much more.

EXCELLENT RESOURCE!!
We've updated our Privacy Statement. Before you continue, please read our new Privacy Statement and familiarize yourself with the terms.

Foreign National Tax Resource

Username: 
Password: 

I acknowledge that I have read and agree to the Terms of Use.

SUBMIT

NEW USERS? CLICK REGISTRATION TO SIGN UP

DID YOUR ACCESS CODE CHANGE? CLICK HERE TO REACTIVATE YOUR ACCOUNT.

The information contained on this website has been gathered, written and organized by tax experts who have a combined 45 years of experience in preparing taxes for foreign nationals.

Log in to access comprehensive information for Foreign Students, Scholars, Workers, and Dependents.

**NOTE: If you require assistance logging in, please contact your institution or organization.
## Accessing FNTR

You must have MIT web certificate installed (see [IS&T](#))

<table>
<thead>
<tr>
<th>New User</th>
<th>Returning User</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Must use MIT e-mail address</td>
<td>• Must use MIT e-mail address</td>
</tr>
<tr>
<td>• Go to <a href="#">ISchO website</a> and follow the instruction.</td>
<td>• Go to <a href="#">ISchO website</a> and follow the instruction.</td>
</tr>
<tr>
<td>• Go to <a href="https://trr.thomsonreuters.com">https://trr.thomsonreuters.com</a> and click on the &quot;Registration&quot; link at the right side of the page.</td>
<td>• Go to <a href="https://trr.thomsonreuters.com">https://trr.thomsonreuters.com</a> and click on the &quot;Reactivate Your Account&quot; link.</td>
</tr>
<tr>
<td>• Create your own Username and Password using MIT’s Access Code: <strong>UQ2Q8JKYTNJ6</strong>.</td>
<td>• Reactivate your FNTR user account using MIT’s Access Code: <strong>UQ2Q8JKYTNJ6</strong> and entering Username and Password you created when you first registered.</td>
</tr>
<tr>
<td>• Sign in using the Username and Password you created.</td>
<td>• The system will bring you back to the Log In page. Type in your User Name and Password</td>
</tr>
<tr>
<td>• Make sure to write down your Username and Password.</td>
<td></td>
</tr>
</tbody>
</table>
What year are we filing tax forms for now?

January 1, 2018 - December 31, 2018
Types of Taxes (Withholdings)

- Federal U.S. Government Income Tax
- Commonwealth of Massachusetts (or other state)
- FICA (Social Security and Medicare)

If you receive a paycheck in the U.S., some of these taxes are likely taken out each month by your employer. This is called “withholding.”
Your Residency Status for U.S. Federal Income Tax Purposes

- Non-resident Alien; or
- Resident Alien; or
- Dual Status Alien (non resident part of the year and resident the other part)

Determined based on your visa status and how long you have been in the U.S.

* This may be different if you have previous U.S. visa history.

E.g. J-1 Scholars are non-resident aliens for two calendar years.*
F-1 Students are non-resident aliens for five calendar years.*
What is My Tax Residency Status?

ISchO – for all MIT International Scholars

- Thomson Reuters *Foreign National Tax Resources (FNTR)*

VPF – for paid PDA/PDF and visitors

- **GLACIER** Nonresident Tax Compliance System
Your Residency Status for U.S. Federal Income Tax Purposes

- **Non-resident Aliens** use the Non-resident tax form (Form 1040-NR and/or Form 8843) and pay taxes at the Non-resident tax rate (if tax is due).

- **Resident Aliens** use the Resident tax form (Form 1040) and pay at the Resident tax rate.

- **Dual Status Aliens** use the Non-resident tax form or Resident Tax form depending on their residency status at the end of the tax year (12/31/2018). Write "Dual-Status Return“ across the top of the tax form.

H-1Bs and TNs

In the U.S. more than 183 days in 2018, you are probably a Resident for tax purposes.

In the U.S. less than 183 days in 2018 and *not a Resident* for tax purposes in 2017 or 2016, you are probably a Non-resident for tax purposes.

*You should consult [IRS Publication 519](https://www.irs.gov/pub/irs-pdf/p519.pdf), use the “substantial/physical presence test,” or use Thomson Reuters tax preparation software (FNTR) to find out your residency status.
Most H-1B and TN visa holders
J-1s in U.S. over 2 calendar years (*not* 2 years from when you entered)
F-1s in U.S. over 5 calendar years
Green card holders (U.S. Permanent Residents)

What kinds of tax preparation tools are available to “Residents” for tax purposes?

**Turbotax**: [https://turbotax.intuit.com/](https://turbotax.intuit.com/)

**H&R Block**: [www.hrblock.com](http://www.hrblock.com)

**TaxSlayer**: [www.taxslayer.com](http://www.taxslayer.com)

**TaxACT**: [www.taxact.com](http://www.taxact.com)

**ESmart Tax**: [https://www.esmarttax.com/](https://www.esmarttax.com/)

**Liberty Taxbrain**: [https://www.libertytax.com/online/taxbrain/](https://www.libertytax.com/online/taxbrain/)

I have U.S. source income (e.g. MIT salary, Fellowship from MIT):
   Form 1040NR(EZ) or 1040NR
   Form 8843 (for you and each of your family members)

I have NO U.S. source income (e.g. funding from home employer, foreign source fellowship):
Only Form 8843 (for you and each of your family members)
Family Issues

- Generally, Non-resident aliens can NOT claim their family members as “dependents” to get deductions from taxes.

- Until 2017, the residents of certain countries (Canada, Mexico, South Korea, student from India) were able to claim tax deduction for their family members, but due to some changes in the recent tax law, this applies to extremely limited circumstance. *FNTR* does not accommodate dependent exemption due to this reason.
Filing Status & Marital Status for Non-resident Alien

- You must choose a filing status
  
  "Single" or "Married"

- In general, married couples may not file a “joint” tax return if either person was a non-resident at any time during the tax year.

- If your non-resident spouse (e.g. J-2 spouse with work permission) earned income in the U.S., he/she must file his/her own separate tax return, Form 1040NR and Form 8843. J-2 dependents are subject to FICA (social security and medicare).

- If you have a spouse who is a resident alien for tax purposes, you may elect to file resident form together as a joint return. You may find more information in FNTR under “Residency Elections”.

Tax Filing Deadlines for Federal and State Taxes

- If you received U.S.-source income, you must file Form 1040NR or 1040NR(EZ) and Form 8843.
  Deadline to mail federal tax form = April 15, 2019

- If you are required to send a MA state tax form, deadline = April 17, 2019
Tax Filing Deadlines for Federal and State Taxes

- If you received NO U.S.-source income and you are an F or J visa holder who is still a non-resident for tax purposes: You must file Form 8843 by June 17, 2019.

*you do not need to file MA state tax return
If you are a J-1 exchange visitor sponsored by MIT International Scholars Office, “Research Scholar,” “Professor,” “Short-Term Scholar” (see Box 4 of your Form DS-2019) you are considered to be a “teacher or trainee.”

These terms are also defined in IRS Publication 519.
Form 8843

Statement for Exempt Individuals and Individuals With a Medical Condition
For use by alien individuals only.

1. Type of U.S. visa (for example, F, J, M, O, etc.) and date you entered the United States ▶
2. Current nonimmigrant status. If your status has changed, also enter date of change and previous status. See instructions.

Part II General Information

3. Of what country or countries were you a citizen during the tax year?
4. What country or countries issued you a passport?
5. Enter your passport number(s) ▶
6. Enter the actual number of days you were present in the United States during:
   2018 ▶
7. Enter the number of days you claim you can exclude for purposes of the substantial presence test ▶

Part III Teachers and Trainees

8. For teachers, enter the name, address, and telephone number of the institution where you taught in 2018 ▶
9. For trainees, enter the name, address, and telephone number of the director of the academic or other specialized program you participated in during 2018 ▶

Part IV Individuals With a Medical Condition or Medical Problem

10. Enter the name(s) and employer identification number(s) of the charitable organization(s) that benefit event(s) ▶
11. Enter the date you intended to leave the United States prior to the onset of the medical condition or medical problem ▶
12. Enter the date you actually left the United States ▶
13. Physician's Statement:
   I certify that
   [Signature]
   [Name of taxpayer]
   [Name of physician or other medical official]
   [Physician's or other medical official's address and telephone number]

For Paperwork Reduction Act Notice, see instructions.
Cat. No. 17277H
Form 8843 (2018)
Social Security Number (SSN) or ITIN (Individual Tax ID number)

- Anyone with U.S.-source income or who has to file Form 1040 or 1040NR must have an SSN or an ITIN.
- Anyone without U.S.-source income or who will only file Form 8843 does not need an ITIN or SSN to submit Form 8843.

- If you are eligible for SSN, apply for one. Do not apply for ITIN.
- J-2 spouse who has work permission should apply for SSN.
If you are signing the form for your minor child...

- **Form 8843**: You may sign the bottom of the form, and write that you are signing on behalf of your minor child.
Massachusetts State Tax

- If you have no U.S. income, you have no MA income. You do not need to file a MA tax form.
- If you lived and worked in MA and had an income greater than $8,000 in 2018, you may be required to file a Massachusetts state tax return.
- You must know your MA residency status: Resident, Part-year resident, or Nonresident (https://www.mass.gov/service-details/who-must-file-a-state-personal-income-tax-return)
- If you lived in MA for 183 days or more during 2018, and you had a residence here (apartment, house, other place of abode), you may be a MA resident.
- For more information about MA State Tax: http://www.mass.gov/dor/individuals/filing-and-payment-information/guide-to-personal-income-tax/

FNTR software also prepares MA State tax forms if it prepared your federal tax return, however, it will not prepare “joint return”.
Health Insurance Requirements & Affordable Care Act (ACA)

- Both the U.S. government and the state of MA require residents to have health insurance.

- The U.S. government law, the Affordable Care Act (ACA), requires you to have a level of insurance called “minimum essential coverage*”.

*Non-resident aliens for tax purposes are exempt from minimum essential coverage mandate. Once a foreign national becomes a “resident alien” for tax purposes, must meet the “minimum essential coverage” mandate or else pay a penalty on his/her tax return. There will be no penalty starting tax year 2019.
Form 1099-HC

- Form 1099-HC is proof that you have health insurance and it is sent to you by your health insurance company.

Example: MIT scholars who are enrolled in the MIT health plan get Form 1099-HC from Blue Cross Blue Shield.

- You will use this form to answer the health insurance question on your MA state tax (Schedule HC). If you do not need to file a state tax return, you should just save this form with your other important records.
Form 1095-C/Form 1095-B

These are forms that prove you had health insurance that meets “minimum essential coverage” and are sent to you by your employer. You will receive:

- 1095-C: MIT employee health plan
- 1095-B: MIT Affiliate health plan

You will need the information on the form(s) to complete Form 1040 if you are Resident Alien for the federal tax purposes. If you are Non-resident Alien, you do not need these form to complete 1040NR. Just save them with your other records.
# Tax Forms, Due Dates, and Filing Address for Nonresident Alien

<table>
<thead>
<tr>
<th>Have U.S. Source Income (e.g. MIT salary, Fellowship from MIT)</th>
<th>No U.S. Source income (e.g. Salary from home employer, foreign sourced fellowship)</th>
<th>MA State Tax Return</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Tax Form</strong></td>
<td><strong>Form 1040NR(EZ) AND Form 8843</strong></td>
<td><strong>Resident (Form 1)</strong> <strong>Nonresident Part-Year Resident (Form 1 NR/PY)</strong></td>
</tr>
<tr>
<td><strong>Filing Due Date</strong></td>
<td><strong>April 15, 2019</strong></td>
<td><strong>April 17, 2019</strong></td>
</tr>
<tr>
<td><em>If you did not receive W-2 for wages subject to withholdings, it is June 17, 2019.</em></td>
<td><strong>June 17, 2019</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Filing Address</strong></td>
<td>Department of Treasury Internal Revenue Service Austin, TX 73301-0215 (not enclosing payment)</td>
<td>Department of Treasury Internal Revenue Service Austin, TX 73301-0215</td>
</tr>
<tr>
<td></td>
<td>Internal Revenue Service P.O. Box 1303 Charlotte, NC 28201-1303 (if enclosing a payment)</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>Private delivery service</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Please refer to: <strong>MA Tax Form Mailing Address</strong></td>
<td></td>
</tr>
<tr>
<td>Types of Documents You May Receive from MIT Payroll Office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>W-2</strong></td>
<td>Salary and wage payments to employees and students excluding wages that are exempt under a tax treaty.</td>
<td></td>
</tr>
<tr>
<td><strong>1042S</strong></td>
<td>Salary and wage payments to employee and student foreign nationals covered by a tax treaty. OR, Fellowship payments to foreign students and scholars which had federal income tax withheld.</td>
<td></td>
</tr>
<tr>
<td><strong>None</strong></td>
<td>If you are not paid by MIT, or if your fellowship is paid directly to you, you will not receive any tax statement from MIT Payroll Office</td>
<td></td>
</tr>
</tbody>
</table>
How do I get my Form W-2 or Form 1042S from MIT?

- Your Form W-2 can be obtained electronically through ATLAS.
- The Payroll Office will mail Form 1042S by the end of February.

You must wait until you have all the necessary documents in order to file your tax return.

For any questions, contact MIT Payroll Office
payroll@mit.edu
617-253-4255
Postdoctoral Associate
(non-resident for tax purposes)

- You may be eligible for a federal and state tax exemption if your home country has a tax treaty with the U.S.
- PDAs with a tax treaty will receive tax form 1042S from MIT, and if your payments exceed the tax treaty exemption limit, you will also receive a W-2 for the excess amount.
- PDAs without a tax treaty will receive a W-2 form.

By MIT Payroll Office
Postdoctoral Fellows
(non-resident for tax purposes)

- Federal income tax is withheld from post-doctoral fellowship stipends at a flat rate (14% for F-1 or J-1 visa)
- Foreign-source fellowships are not subject to U.S. taxes. MIT will not withhold any taxes from foreign-sourced stipends.
- Your stipend is not subject to Social Security or Medicare.
- You will receive tax form 1042S from MIT.
- You may be eligible for a federal tax exemption if your home country has a tax treaty with the U.S.
- MIT does not “withhold” state taxes. You are responsible for determining your state income tax liability and make estimated tax payments directly to the states, if necessary.

By MIT Payroll Office
Postdoctoral Fellows

NOTE: If you become a resident for tax purposes, you may owe U.S. taxes on your world-wide income. You would need to report your stipend income to the IRS, as MIT does not report foreign-sourced fellowship stipend income to the IRS.

Estimated Tax Payment – submit quarterly estimated tax with the IRS. For more information go to Form 1040-ES.

Great resources about Postdoctoral Fellows and Associates are available on the MIT VP for Finance website. Please go to: http://vpf.mit.edu/site/payroll/resources#7876

By MIT Payroll Office
Change in Residency Status

- Make sure to notify the MIT Payroll Office of your change in residency status (Non-resident Alien to Resident Alien).
- Once you change to Resident Alien status, MIT will begin to withhold Social Security and Medicare taxes.

NOTE: If you do not notify the Payroll Office, they will begin withholding when they think you changed to a Resident Alien.
Remember.....

- Non-Residents for tax purposes cannot “e-file” their tax forms. The tax forms must be printed out and sent by mail.
- Do not forget to sign the Form1040NR and/or Form 8843 (if filed by itself).
- Keep copies of everything you send for your own records.
- Make sure to send the tax return by the due dates (Don’t wait until last minute).
- Even if you will not be in the U.S. next year, do not forget to file the tax return next year for the tax year 2019 (consult our website next year for information).
More Tax Information Sessions for scholars

- **Wednesday, March 13th** at Stata Center (Rm32-123)
  9:30am to 10:30am - **Non-Resident Scholars**

- **Wednesday, March 6** and **Monday, April 1**, at Bldg10-Rm250
  7:00 to 8:30pm – **Resident & U.S. Citizen Student and Scholars**
Good luck with your tax filing!!