The International Scholars Office presents…

Tax Information Session for International Faculty, Postdocs & Visitors

February 27 & March 10, 2020

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/

**Tax Information Sessions for Students**

**Wednesday, March 4** (Bldg10- Rm250)
- 5:00 to 6:30pm  Nonresident Students
- 7:00 to 8:30pm  US Citizen and Resident Student and Scholars

**Monday, March 30** (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 Scams (Fraud)

- Internal Revenue Services (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 for non-resident aliens (Sprintax)
- List of Tax Specialists 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” = Completing and sending
Do I have to file a tax form of some kind??

- I received funding from a U.S. source (MIT salary/stipend) in 2019.  
  Yes

- I received no funding from a U.S. source in 2019.  
  Yes

- I lived in the U.S. in 2019, 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

Sprintax: Tax preparation software for non-resident aliens

http://web.mit.edu/scholars/intlscholars/taxes/software.html

*2019 Tax preparation software for Federal and MA State returns is now available!

Web-based tax preparation software for non-resident aliens covering both Federal and State tax returns that has 24/7 live chat support

EXCELLENT RESOURCE!!
The International Scholars Office (ISchO) has purchased a license for Sprintax for MIT international scholars. Sprintax is an online U.S. tax preparation software product for international students and scholars who are nonresident aliens for U.S. (federal) tax purposes. State tax returns, for Massachusetts or any other state, may also be prepared using Sprintax.

Please Note: The license allows MIT international scholars to prepare their Federal (U.S.) tax return at no cost; however, there is a fee for State tax returns. Scholars may also go to the Massachusetts Department of Revenue website and prepare a MA State tax return at no cost.

Access Sprintax (an MIT computer certificate is required)
Go to MIT IS&T certificate page for information about how to install a certificate on your computer.

International scholars may access Sprintax using the link above. International students must go to the International Students Office website for more information about the tax software for international students.

Sprintax YouTube videos

Other Programs
There are a variety of tax preparation programs available for individuals who are residents for federal tax purposes, including Turbo Tax, H&R Block, eSmart Tax, and many others.

DISCLAIMER: The ISchO is not trained to provide tax advice and therefore disclaims all liability from the misinterpretation or misuse of the Thomson Reuters Foreign National Tax Resource website and software. These resources are offered as a convenience to our scholars.

Last Updated: January 2020
Logging In to Sprintax

US Tax Preparation for Nonresidents

The only online self-preparation software for nonresident federal and state tax returns

✓ Provides an all-in-one solution covering both IRS and State forms, FICA returns and ITIN applications
✓ Offers automatic generation of completed tax return forms
✓ Guarantees a maximum legal tax refund for federal, state & medicare incl. tax treaty benefits
✓ Assists you through the process via a 24/7 Live Chat, Social Media support, E-mail support, FAQ’s and our virtual assistant Stacy

FEDERAL from $37.95 | STATE from $29.95

CREATE MY ACCOUNT
Creating an Account

Create Sprintax Account

First Name*

Last Name*

Code

Phone Number*

Email*

Choose Password*

Confirm Password*

☐ I agree to the Sprintax terms and conditions

☐ I agree to information disclosure under IRC Section 7216

☐ I'm not a robot

Get started
Entering MIT Access Code
What year are we filing tax forms for now?

January 1, 2019 - December 31, 2019
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.*

e.g. J-1 Scholars are non-resident aliens for two calendar years.*
    F-1 Students are non-resident aliens for five calendar years.*

* This may be different if you have a previous U.S. visa history.
How Can I Find My Tax Residency Status?

ISchO – for all MIT International Scholars
- Sprintax – tax preparation software

VPF – for paid PDA/PDF and visitors
- **GLACIER** Nonresident Tax Compliance System (https://www.online-tax.net/)

If you have a paid appointment and can’t remember whether you entered your information into **Glacier** before, contact Marsha Dailey (mdailey@mit.edu) in the Payroll Office.
Your Residency Status for U.S. Federal Income Tax Purposes

- **Non-resident Aliens:** Taxed only on income from sources within the U.S. Use the Non-resident tax forms *(Form 1040-NR and/or Form 8843)* and pay taxes at the Non-resident tax rate (if tax is due).

- **Resident Aliens:** Taxed in the same manner as U.S. citizens on their worldwide income. Use the Resident tax form *(Form 1040)* and pay at the Resident tax rate.

- **Dual Status Aliens:** Uses the Non-resident tax form or Resident Tax form depending on their residency status at the end of the tax year (12/31/2019). Write "Dual-Status Return“ across the top of the tax form.

**H-1Bs and TNs**

In the U.S. more than 183 days in 2019, you are probably a Resident for tax purposes.

In the U.S. less than 183 days in 2019 and *not a Resident* for tax purposes in 2018 or 2017, you are probably a Non-resident for tax purposes.

You should consult [IRS Publication 519](https://www.irs.gov/), use the “substantial/physical presence test,” or use Sprintax tax preparation software to find out your residency status.

You may use Sprintax to complete your tax return if it determines that you are non-resident alien for tax purposes based on the “substantial/physical presence test.”

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/
H&R Block:  www.hrblock.com TaxSlayer:  www.taxslayer.com
TaxACT:  www.taxact.com ESmart Tax:  https://www.esmarttax.com/
Liberty Taxbrain:  https://www.libertytax.com/online/taxbrain/

Tax Forms for Non-Resident Aliens

- 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)

Note: *Sprintax will automatically generate Form(s) 8843 for your non-working spouse and child(ren) if you enter their information. Form 8843 for dependents must be sent to IRS in a separate envelope for each Form 8843.*
Generally, Non-resident aliens can **NOT** claim their family members as “dependents” to get deductions from taxes.

Until 2017, residents of certain countries (Canada, Mexico, South Korea, students from India) were able to claim a tax deduction for their family members, but due to some recent changes in the tax law, this now applies in extremely limited circumstance. You may still enter the information about your dependent(s) and *Sprintax* will determine whether there will be any credit associated with your dependent(s).
Filing Status & Marital Status for Non-resident Aliens

- 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 your spouse would like to use Sprintax software to file his/her tax return, contact IScho@mit.edu for an individual access code.

- If you have a spouse who is a resident alien for tax purposes, you may elect to file a resident form together as a joint return. IRS resources: https://www.irs.gov/individuals/international-taxpayers/nonresident-alien-spouse
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, 2020

- If you are required to send a MA State tax form, deadline = April 15, 2020
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 15, 2020**

*You do not need to file MA state tax return.*
Form 8843 for Non-residents

“Teacher” or “Trainee”

If you are a J-1 exchange visitor sponsored by the 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.
The blank Form 8843 can also be downloaded from the IRS website: https://www.irs.gov/forms-pubs/about-form-8843
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 2019, you may be required to file a Massachusetts state tax return.
- If you lived in MA for 183 days or more during 2019, 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/

**Sprintax will prepare your MA State tax forms if it prepared your Federal tax returns, for $29.95.**
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 federal tax purposes are exempt from the minimum essential coverage mandate. Once a foreign national becomes a “resident alien” for federal tax purposes, he/she must meet the “minimum essential coverage” mandate, although penalties will not be imposed starting tax year 2019. However, under Massachusetts law, a resident who has access to affordable coverage but does not obtain it may be subject to penalties at the time of MA state tax filing.
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 an 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 forms to complete 1040NR. Just save them with your other records.
<table>
<thead>
<tr>
<th>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></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Nonresident/Part-Year Resident (Form 1 NR/PY)</strong></td>
</tr>
<tr>
<td><strong>Filing Due Date</strong></td>
<td><strong>April 15, 2020</strong></td>
<td><strong>June 15, 2020</strong></td>
</tr>
<tr>
<td><em>If you did not receive W-2 for wages subject to withholdings, it is June 15, 2020.</em></td>
<td></td>
<td><strong>April 15, 2020</strong></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>Department of Treasury Internal Revenue Service P.O. Box 1303 Charlotte, NC 28201-1303 (if enclosing a payment)</td>
<td><strong>Please refer to:</strong></td>
</tr>
<tr>
<td></td>
<td><em>Private delivery service</em></td>
<td><strong>MA Tax Form Mailing Address</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Address</strong></td>
</tr>
</tbody>
</table>
### Types of Documents You May Receive from MIT Payroll Office for Your Tax Return

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<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>
</tr>
<tr>
<td><strong>1042S</strong></td>
<td>Salary and wage payments to employees and student foreign nationals covered by a tax treaty. OR, fellowship payments to foreign students and scholars which had federal income tax withheld.</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 the MIT Payroll Office.</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 making estimated tax payments directly to the state(s), 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 to 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 (also known as FICA).

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.
- Follow the Sprintax instruction on where to file your tax return and what tax documents to attach to your tax return (e.g. W-2, 1042S…).
- 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 date (Don’t wait until the last minute).
- Even if you will not be in the U.S. next year, do not forget to file your tax return next year for the 2020 tax year (consult our website next year for information).
More Tax Information Sessions for Scholars

- **Tuesday, March 10** at Rm 34-101
  9:30am to 10:30am - **Non-Resident Scholars**

- **Wednesday, March 4 and Monday, March 30**, at Bldg10-Rm250
  7:00 to 8:30pm – **Resident & U.S. Citizen Student and Scholars**
Give Us Your Feedback on Sprintax

- Was it easy to navigate?
- Did you understand the questions?
- Was the tax treaty benefit eligibility clear to you?
- Did you use 24/7 live chat resources? How was it?
- Did you get all the information you need?
- etc....
Good luck with your tax filing!!