



# 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 Teresa Azahar 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 withheld from 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, we suggest you check "single" (i.e., no dependents) if you are not married and to claim yourself as an exemption by placing a 1 in section #5. You cannot claim "tax exempt status."

If you will earn \$8000 or more in a calendar year (whether you work on campus, doing CPT or a combination of the two), you should consider changing your withholding on your M-4 Massachusetts Employee Withholding Exemption certificate. Most student checks box D in number 5 stating they are earning less than \$8000 per year and if you earn more, you might be liable to owe more state tax. You can do this in Payroll at MHC.

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 file a state tax return for that state (and you may well get a refund). 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).