

Taxes and Employment

All F students are required to pay Federal and State taxes if they are employed in the U.S. The tax rate is dependent on many things and is estimated by the UAH payroll department before any payment is made to a foreign national.

The University must have an I-9 employment eligibility form and W-4 statement for each university employee. Each time a F student obtains new on-campus employment, changes the end date listed on the I-20, is working with OPT permission, or obtains a new visa status, a new I-9 employment eligibility form must be submitted properly to the University. All F-1 students who have received any income or scholarship in the U.S. are required to file tax forms to report income and scholarships to the Federal and State government for that tax year. In addition, F-1 students who have not been employed and all dependents of F and J students who were in the U.S. during the tax year are required to submit the 8843-tax form each year.

Tax residency is determined by an IRS calculation (substantial presence test) based on the number of years present in the U.S. It is best if each international student complete their Federal taxes using the various on-line software programs specially created for non-resident taxpayers in the U.S. The on-line software programs will notify a student if they have become a resident for tax purposes and will direct the person to file a 1040 resident tax form.

An F-1 student who has been authorized by immigration to work off-campus (CPT or OPT) and is a non-resident for tax purposes is not be required to pay Social Security and Medicare taxes. The student must determine tax residency and seek guidance about filing an IRS form 8316 & 843 to recover SS/FICA taxes that were withheld incorrectly.