

FOREIGN NATIONALS

FREQUENTLY ASKED QUESTIONS

Who is a non-resident alien (NRA) for tax purposes?

A nonresident alien is an individual who has not passed the green card test or the Substantial Presence Test and thus, is not a U.S. citizen or resident alien. *For detailed information outlined by the IRS please visit [here](#).*

Who is a resident alien (RA) for tax purposes?

An individual who is not a U.S. citizen but is a lawful permanent resident or meets the substantial presence test for the calendar year. *For detailed information outlined by the IRS please visit [here](#).*

What is a “Green Card” Test?

Under the “green card” test, an alien who is a lawful permanent resident of the United States at any time during the calendar year, is considered a resident for income tax purposes. This is known as the green card test because these aliens hold immigrant visas (also known as green card).

What is a Substantial Presence Test?

You are a resident alien for the tax purposes if you meet the substantial presence test for calendar year. To meet this test, you must be physically present in the United States on at least:

- 31 days during the current year i.e., 2023
- 183 days during the 3-year period that includes 2022, 2021 and 2020, counting:
 - All the days you were present in 2022,
 - 1/3 of the days you were present in 2021 and
 - 1/6 of the days you were present in 2020.

How do I determine if I am a resident alien or a non-resident alien?

If you are in the United States for 183 days or more, you may become a Resident Alien. Generally, F-1 or J-1 student visa holders are exempt from counting days towards the substantial presence test for 5 years. They become a resident alien in their 6th year after they have been physically present in the United States for 183 days or more. Similarly, J-1 teachers/researchers are exempt from counting days in the United States for 2 calendar years and they become a resident alien after they have been physically present in the United States for 183 days or more in their 3rd year.

These are general rules, the exact calculation is dependent on your immigration status and prior visits to the United States.

Are F-1, J-1 students and J-1 exchange scholars considered exempt individuals?

F-1 and J-1 students are exempt individuals from counting days toward the substantial presence test for the first 5 years and J-1 exchange scholars for 2 years.

What is Form W-4?

The Employee Withholding Allowance Certificate – Form W-4 is a form to declare your federal tax withholding status. If you are a nonresident alien for tax purposes, you may not claim ‘Married’, regardless of your marital status, and you may not claim ‘Exempt’.

Additionally, in the space below step 4(c), “nonresident alien” or “NRA” must be indicated.

For detailed information outlined by the IRS please visit [here](#).

What is OASDI?

The Old Age, Survivors, and Disability Insurance (OASDI) program is the official name for Social Security income in the United States and it is deducted from individual paycheck and noted as Social Security.

What is Medicare Tax?

Medicare tax, also known as Hospital Insurance Tax, is a federal government tax that funds a portion of the Medicare Insurance Program. Unlike Social Security Tax (OASDI), Medicare tax is withheld from an employee’s paycheck.

If I am a Non-Resident Alien Student, am I exempt from paying Social Security and Medicare taxes (FICA)?

A student is any individual who is temporarily in the United States on an “F”, “J”, “M” or “Q” nonimmigrant visa status for less than 5 calendar years for the primary purpose of studying at an academic institution or vocational school and who substantially complies with the requirements of that visa are generally nonresident aliens and are exempt from Social Security and Medicare taxes on the wages paid to them for services performed within the United States.

How will I be taxed on payments from U.S. sources?

As a nonresident alien for tax purposes, U.S. tax laws require that you be taxed in the following manner:

If you receive salary or wages, you are generally required to pay taxes unless you are exempt from these taxes based on a tax treaty agreement between your country’s government and the United States.

If you receive a Scholarship or Fellowship income that may consist of nontaxable or taxable items including but not limited to Room and Board, Stipends, living allowance, Travel Payment and if you are physically present in the United States under a F, J, or M immigration status, the applicable rate of tax withholding is 14 percent unless there is an exception of tax treaty between your home

country and the United States.

Can I be exempt from tax withholding?

The United States has income tax treaties with several foreign countries.

Under these treaties, residents (not necessarily citizens) of foreign countries are taxed at a reduced rate or are exempt from U.S. income taxes on certain items of income they receive from sources within the United States. These reduced rates and exemptions vary among countries and specific items of income.

If there is no treaty between your country and the United States, you must pay tax on the income in the same way as residents of the United States. The existence of a tax treaty does not automatically ensure an exemption from tax withholding. An individual must satisfy the requirements for the exemption set forth in the tax treaty and provide all applicable forms and signed documents to the Payroll Office. If you qualify for a tax treaty exemption, the Payroll Office will provide you with the tax-exempt documents to be signed and returned within five (5) business days. ***For detailed information outlined by the IRS please visit [here](#).***

How do I claim a treaty that I am eligible for?

If you are eligible for tax treaty benefits based on your visa history and other factors, the Payroll Office will generate the appropriate tax treaty documents for you. You must print, sign and submit these forms to the Payroll Office to claim the treaty benefits. In the absence of a valid Social Security Number, tax treaty benefit will not be granted, and the taxes will be withheld.

INCOME TAX TREATIES

The United States has income tax treaties with several foreign countries. Under these treaties, residents of foreign countries are exempt from U.S. income taxes on certain types of income they receive from sources within the United States. These exemptions vary among countries and types of income.

Tax treaties generally reduce the U.S. taxes of residents of foreign countries. United States citizens and residents are subject to U.S. income tax on their worldwide income.

Review the appropriate table below to make a preliminary determination if the income you will receive from Albert Einstein College of Medicine may be exempt under a tax treaty. Please be aware that treaty terms are subject to change and the tables below do not include all the factors and conditions of the treaty. Factors such as physical presence in the United States, the purpose of the visit, length of stay and other considerations will determine final eligibility. Based on these factors, the decision to grant the tax treaty benefits solely depends on the Payroll Office of Albert Einstein College of Medicine.

To evaluate your residency status and to grant tax treaty benefits, you are required to provide all related immigration documents to the Payroll Office upon request. The Payroll Office will evaluate your information and do an analysis to determine if you are subject to the United States taxes. **For detailed information outlined by the IRS visit [here](#).**

RESEARCH AND TEACHING

Country	Time Limit *
Bangladesh	2 years
Belgium	2 years
Bulgaria	2 years
China	3 years
Czech Republic	2 years
Egypt	2 years
France	2 years
Germany	2 years
Greece	3 years
Hungary	2 years
India	2 years
Indonesia	2 years
Israel	2 years
Italy	2 years
Jamaica	2 years

Korea, South	2 years
Luxembourg	2 years
Netherlands	2 years
Norway	2 years
Pakistan	2 years
Philippines	2 years
Poland	2 years
Portugal	2 years
Romania	2 years
Slovak Republic	2 years
Slovenia	2 years
Thailand	2 years
Trinidad & Tobago	2 years
United Kingdom	2 years
Venezuela	2 years

***No time limits**

STUDYING AND TRAINING

Country	Dollar Limit
Bangladesh	8,000.00
Belgium	9,000.00
Bulgaria	9,000.00
China	5,000.00
Cyprus	2,000.00
Czech Republic	5,000.00
Egypt	3,000.00
Estonia	5,000.00
France	5,000.00
Germany	9,000.00
Iceland	9,000.00
Indonesia	2,000.00
Israel	3,000.00
Korea, South	2,000.00
Latvia	5,000.00
Lithuania	5,000.00
Malta	9,000.00
Morocco	2,000.00
Netherlands	2,000.00

Norway	2,000.00
Pakistan	5,000.00
Philippines	3,000.00
Poland	2,000.00
Portugal	5,000.00
Romania	2,000.00
Slovak Republic	5,000.00
Slovenia	5,000.00
Spain	5,000.00
Thailand	3,000.00
Trinidad & Tobago	2,000.00
Tunisia	4,000.00
Venezuela	5,000.00

DEPENDENT PERSONAL SERVICES

Country	Dollar Limit
Canada	10,000.00
Greece	10,000.00
Trinidad & Tobago	3,000.00