

INTERNATIONAL COMPENSATION AND TAXATION

Contact Information for International Taxation

ICTquestions@ncsu.edu

(Be sure your students know this is a legitimate NC State email address, and they need to respond when they receive an email from ICT!)

Most visiting foreign national students prefer email communications due to their skills in English. Having a written response allows them to look up terms on the internet and learn at their own pace.

The ICTquestions email inbox is monitored by multiple staff. There are no longer face-to-face meetings required.

Types of Taxable Compensation Per IRS

The IRS considers these items to be taxable income to a Foreign National:

- **Tax liability for the following types of payments is determined by ICT:**
 - Wages
 - Graduate Assistantships
 - Scholarships
 - Fellowships

- **Tax liability for the following types of payments is determined by the University Controllers Office:**
 - Stipends
 - Travel Reimbursements
 - Housing Allowances
 - Honoraria
 - Awards

Foreign National Vendor Payments

- All Foreign National vendor payments non-employees are processed through Accounts Payable in the University Controllers Office
- When a vendor request is submitted through the vendor center, Accounts Payable will review the payment for tax liability and advise regarding required documentation

Why is it so important for our Foreign Nationals to email the ICT Team?

- Foreign Nationals have a special set of tax guidelines that they must follow. Not being in compliance puts both the University and the Foreign National at risk of large penalties and fines.
- Foreign Nationals should be assessed by ICT, **BEFORE THE PAYMENT IS PROCESSED** whenever possible.
- Many Foreign Nationals are exempt from Social Security and Medicare taxes. Some visitors may be eligible for a tax treaty. They will not receive these exemptions automatically unless they have a tax assessment.

How is a tax assessment performed?

- A foreign national visitor reaches out to ICTquestions@ncsu.edu for a tax assessment
- ICT requests documentation from the visitor (I-20, Soc. Sec. Card, I-94, etc.) and provides link to visitor's folder within NCSU's secure upload portal Sharebase.
- ICT performs assessment and prepares custom tax forms for the visitor and places them in Sharebase folder.
- Visitor signs documents and reuploads to Sharebase
- ICT receives forms and completes updating PeopleSoft

Scholarships

- Scholarships are paid through the Financial Aid Office.
- Scholarships paid to Foreign National students will not be dispersed until the individual completes a tax assessment.
- In the Financial Aid system there is a “hold mechanism” which is controlled by ICT. Many holds occur due to ICT having outdated documents from the visitor. When a visitor gets a new form like an I-20, they should contact us immediately so that we can update.

Payments to Employees Working Outside of the United States

- This is highly discouraged due to the expense and liability exposure that having employees abroad create.

Please contact Blake Kannarr, University Payroll Director
bekannar@ncsu.edu

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Contact Information

For all questions please e-mail:

ictquestions@ncsu.edu

While the ICT workgroup within University Payroll are subject matter experts when it comes to withholding from paychecks and scholarships, we receive no training when it comes to preparing tax returns. For that reason, we cannot offer tax preparation advice or direct a visitor on how to complete a yearend tax return or how to reply to IRS correspondence.

Thank you