



FOREIGN NATIONAL TAX COMPLIANCE AT UVA

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U.S. NONRESIDENTS (FOR TAX)

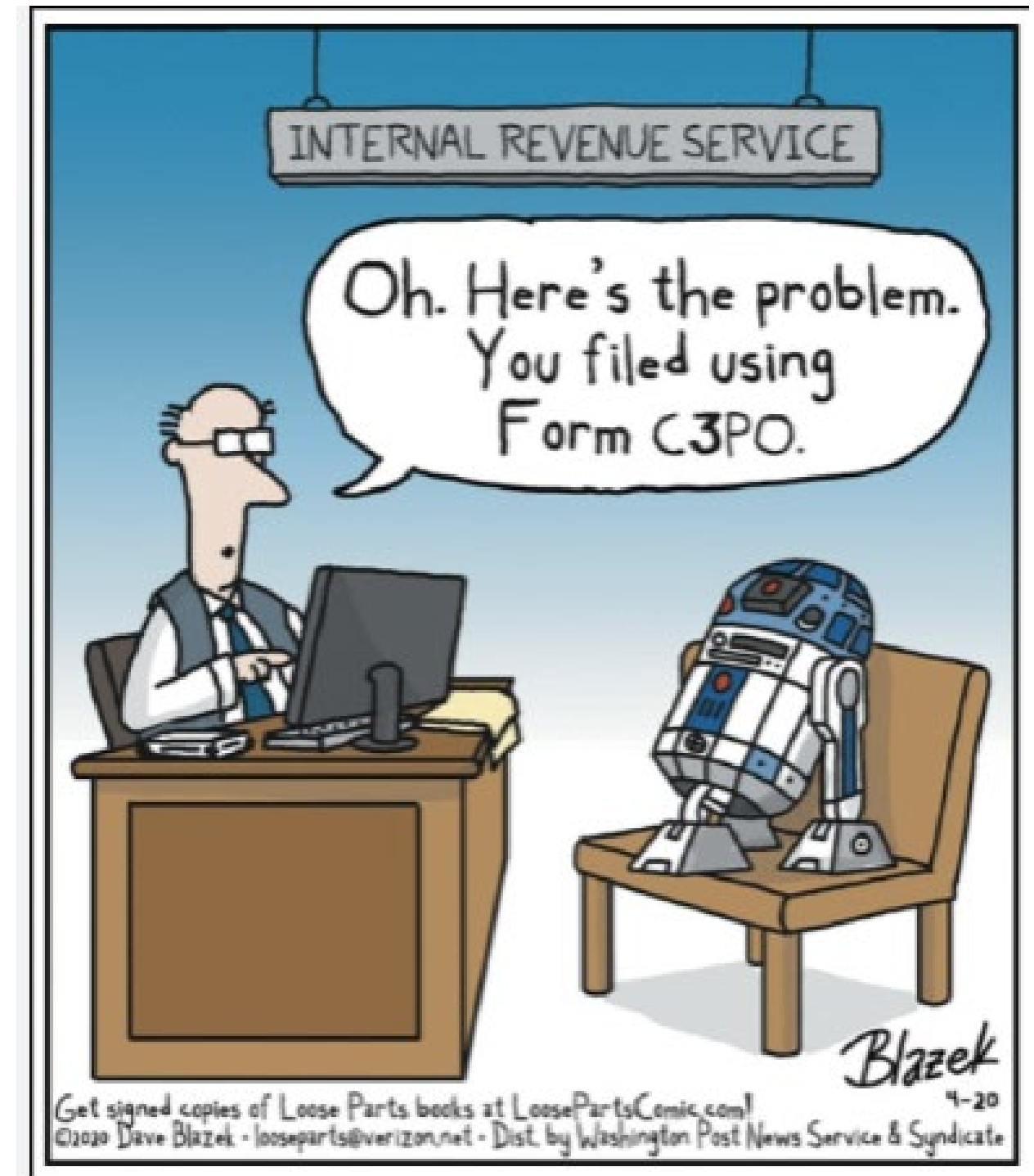
A Nonresident Alien (NRA) is an individual who has not met the substantial presence test (SPT) based on the number of days they have been physically present in the U.S.

- **F1/J1 Students** are generally considered nonresident aliens for the first 5 calendar years they are present in the U.S.
- **J1 Scholars** are generally considered nonresident alien for the first 2 calendar years they are present in the U.S.
- **B1/B2/Visa Waiver Visitors** are always considered nonresidents.

WHAT PAYMENTS ARE TAXABLE?

Taxable payments include:

- Non-qualified scholarship/fellowships (Stipends)
- Awards
- Non-qualified travel (travel reimbursement that does not meet the defined contribution plan rules)
- Honoraria
- Royalties
- Wages
 - Note: Nonresidents are exempt from Medicare and Social Security.



TAX TREATIES



Tax Treaties:

- **An agreement between the U.S. and a foreign country that specifies how nonresidents are taxed. A tax treaty can reduce or eliminate the tax liability of students from that country.**
- **The Tax Office assists with completion of the forms necessary to claim tax treaty benefits.**

HONORARIA PAYMENTS

- 30% federal income tax rate
(unless exempt due to a tax treaty)
- 9-5-6 Rule
- Department must submit an “Approval for Honoraria Form”
- Additional documentation may be needed to determine appropriate tax treatment
- Supplier invoices are reviewed by the Tax Office

Approval for Honoraria Form

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Definition of Honoraria: An honorarium is a token of appreciation paid to an individual for services performed for which payment is not required. The services involved vary, but are generally associated with oral presentations made at University-sponsored functions. The arrangement between the individual and the University is informal. It does not involve a contract, and invoicing is not required. Honoraria seldom exceed \$2,000. In the rare instance where an honorarium exceed \$2,000, prior approval by the Dean or Vice President is required. University of Virginia faculty and staff **cannot** receive honoraria from the University.

Process: The recipient may not set the amount of the honorarium. The department should process the transaction as a Supplier Invoice Request in Workday. The payee must be registered in PaymentWorks. If reimbursement for travel expenses is sought, a separate Supplier Invoice Request must be submitted - please see the procedures for Non-Employee Travel Reimbursement. **Procurement & Supplier Diversity Services Accepts Electronic Signatures.**

Submitting this Form: Once you have completed this form, save it your PC, then attach the saved document to the Supplier Invoice Request in Workday. A hard copy of this form with the appropriate signatures must be kept on file within the department.

Recipient Information

Recipient Full Name:

Recipient Organization:

Recipient Address & Email:

Honorarium Information

Date of Event:

Honorarium Amount:

Purpose for Honorarium:

Worktag:

Approvals

Authorized Approver's Signature:

Checking this box certifies that the Supervisor or Authorized Approver's Signature has been placed on the form, either electronically or in hard copy, to be retained by the department:

Additional Approvals

For honoraria greater than \$2,000

Dean/Vice President's Signature:

Checking this box certifies that the Dean/Vice President's Signature has been placed on the form, either electronically or in hard copy, to be retained by the department:

For honoraria to foreign nationals

Foreign nationals with B1, B2, WB, or WT Visas must read the following information and sign below: I hereby certify under the penalties of perjury that I am the holder of a B1, B2, WB, or WT visa, AND I am being paid for usual academic activities conducted at the University of Virginia for a period of no more than nine (9) days. I also certify that I have not accepted honoraria payment(s) or reimbursement(s) for expenses from more than five (5) US institutions or organizations in the past six (6) months.

Foreign National Payee Signature:

Date (mm/dd/yyyy):

Checking this box certifies that Foreign National Payee's signature has been placed on the form, either electronically or in hard copy, to be retained by the department:

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NON-EMPLOYEE TRAVEL REIMBURSEMENT

- Non-taxable if accountable plan rules are met and the reimbursement is for a bona-fide business purpose.
- Reimbursement for independent graduate research is taxable.
- Additional documentation may be needed to determine taxability.

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University of Virginia - Procurement and Supplier Diversity Services

Non-Employee Travel Reimbursement Request Form

Submit via Supplier Invoice Request (S.I.R.) in Workday within 30 days of Return Date

Payee Name (Last, First)	Enter Last	Enter First	Reason for Reimbursement	
Email ID (Dept Contact)	Enter Email ID			Enter Travel Reason
Primary Destination	Enter Destination			
Travel Dates	0/0/00	to	0/0/00	
WorkTags				

Reimbursement Totals

Attach all required receipts, including receipts for mileage, currency conversion, Documentation, and Justifications to the S.I.R. If you are not reimbursing the full total of all receipts, please use the "Less amount not allowed by Department" box in the Calculations section of this form.

- Receipts submitted in Foreign Currency must have Conversion Calculation Documental

Transportation				Totals
Mileage Rates have been updated for 2025				
<u>Public Transportation (Airfare, Bus, Rail, Uber/Taxi, etc) - Documentation/Itemized Receipts Required</u>				\$0.00
<u>Car Rental - Documentation/Itemized Receipts Required</u>				\$0.00
<u>Gas/Fuel - (Rental Vehicle ONLY) - Documentation/Itemized Receipts Required</u>				\$0.00
<u>Mileage - (Personal Vehicle ONLY)</u>	2024 - \$0.67/mi	2025 - \$0.70/mi	Enter Miles	Enter Rate
				\$0.70
<u>Parking/Tolls - Receipts preferred</u>				\$0.00
<u>Lodging</u>				

FORM 1042-S

- Form 1042-S reports income paid by UVA to nonresident individuals.
- Forms are issued by the Tax Office in mid to late February.
- Any income reported on the 1042-S should be included on the recipient's annual income tax filings.

Form 1042-S		Foreign Person's U.S. Source Income Subject to Withholding		2025		OMB No. 1545-0096	
Department of the Treasury Internal Revenue Service		Go to www.irs.gov/Form1042S for instructions and the latest information.		UNIQUE FORM IDENTIFIER		Copy A for Internal Revenue Service	
		AMENDED		AMENDMENT NO.			
1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"	13d City or town, state or province, country, ZIP or foreign postal code				
		3a Exemption code	4a Exemption code	13e Recipient's U.S. TIN, if any	13f Ch. 3 status code		
		3b Tax rate	4b Tax rate		13g Ch. 4 status code		
5 Withholding allowance				13h Recipient's GIIN	13i Recipient's foreign tax identification number, if any	13j LOB code	
6 Net income				13k Recipient's account number			
7a Federal tax withheld				13l Recipient's date of birth (YYYYMMDD)			
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions)				14a Primary withholding agent's name (if applicable)			
7c Check if withholding occurred in subsequent year with respect to a partnership interest				14b Primary withholding agent's EIN			
7d Check if you are a qualified intermediary, withholding foreign partnership, or withholding foreign trust revising its reporting on Form 1042-S to report to a specific recipient				15 Check if pro-rata basis reporting			
8 Tax withheld by other agents				14c Intermediary or flow-through entity's EIN, if any		15b Ch. 3 status code	15c Ch. 4 status code
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions)				15d Intermediary or flow-through entity's name			
10 Total withholding credit (combine boxes 7a, 8, and 9)				15e Intermediary or flow-through entity's GIIN			
11 Tax paid by withholding agent (amounts not withheld) (see instructions)				15f Country code		15g Foreign tax identification number, if any	
12a Withholding agent's EIN	12b Ch. 3 status code	12c Ch. 4 status code		15h Address (number and street)			
12d Withholding agent's name				15i City or town, state or province, country, ZIP or foreign postal code			
12e Withholding agent's global intermediary identification number (GIIN)				16a Payer's name		16b Payer's TIN	
12f Country code	12g Foreign tax identification number, if any				16c Payer's GIIN		16d Ch. 3 status code
12h Address (number and street)						16e Ch. 4 status code	
12i City or town, state or province, country, ZIP or foreign postal code				17a State income tax withheld		17b Payer's state tax no.	17c Name of state
13a Recipient's name	13b Recipient's country code						
13c Address (number and street)							

For Privacy Act and Paperwork Reduction Act Notice, see instructions. Cat. No. 11386R Form 1042-S (2025)

ADDITIONAL RESOURCES

- **UVA Policies:**

- Scholarship/Fellowship Payments to Foreign Nationals: <https://uvapolicy.virginia.edu/policy/FIN-012>
- Honoraria Payments Policy: <https://uvapolicy.virginia.edu/policy/FIN-014>
- Non-employee Travel Reimbursement: <https://uvapolicy.virginia.edu/policy/FIN-004>

- **UVA Forms**

- Approval for Honoraria: <https://uvafinance.virginia.edu/resources/approval-honoraria>
- Non-employee Travel Reimbursement: <https://uvafinance.virginia.edu/resources/non-employee-travel-reimbursement-form>

- **External Resources:**

- IRS Publication 519: U.S. Tax Guide for Aliens: www.irs.gov/forms-pubs/about-publication-519
- IRS Tax Treaty Tables: <https://www.irs.gov/businesses/international-businesses/united-states-income-tax-treaties-a-to-z>

CONTACT INFORMATION

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**The University is prohibited from providing formal tax advice or assisting with individual tax returns*