Agenda

- Introduction
- Important Dates/Forms
- Fellowship Payments
- Teaching and Research Assistantships and other compensation
- Tax forms at a glance
- Important Links
- Foreign National Information Form
- Questions
Introduction

- Joe Loynd
  Payroll Manager
  Phone: 781-736-4495
  Email: jloyndj@brandeis.edu and/or payroll@brandeis.edu

- Kerry Coughlin
  Lead Payroll & Tax Specialist
  Email: kcoughlin@brandeis.edu
Important Dates

- January 31st – W2s mailed and available to view on BUSS
- March 15th - 1042s mailed (deadline)
- April 17th - tax filing deadline with IRS and MA
Form W-2

<table>
<thead>
<tr>
<th>Form W-2 Wage and Tax Statement</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy B—To Be Filed With Employee’s FEDERAL Tax Return. This information is being furnished to the Internal Revenue Service.</td>
<td></td>
</tr>
</tbody>
</table>
## Form 1042-S

**Foreign Person’s U.S. Source Income Subject to Withholding**

### Columns

- **1042-S**
  - **Foreign Person’s U.S. Source Income Subject to Withholding**
  - **2015**
  - **OMB No. 1545-0096**
  - **Copy B**
  - **Department of the Treasury Internal Revenue Service**
  - **Information about Form 1042-S and its separate instructions is at www.irs.gov/form1042s.**
  - **AMENDED**
  - **PRO-RATA BASIS REPORTING**

### Table

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Income code</td>
</tr>
<tr>
<td>2</td>
<td>Gross income</td>
</tr>
<tr>
<td>3</td>
<td>3 Chap. 3: Exemption code</td>
</tr>
<tr>
<td>4</td>
<td>4 Chap. 4: Exemption code</td>
</tr>
<tr>
<td>5</td>
<td>5 Withholding allowances</td>
</tr>
<tr>
<td>6</td>
<td>6 Net income</td>
</tr>
<tr>
<td>7</td>
<td>7 Federal tax withheld</td>
</tr>
<tr>
<td>8</td>
<td>8 Tax withheld by other agents</td>
</tr>
<tr>
<td>9</td>
<td>9 Tax paid by withholding agent</td>
</tr>
<tr>
<td>10</td>
<td>10 Amount repaid to recipient</td>
</tr>
<tr>
<td>11</td>
<td>11 Withholding agent’s EIN</td>
</tr>
<tr>
<td>12a</td>
<td>12a Ch. 3 status code</td>
</tr>
<tr>
<td>12b</td>
<td>12b Ch. 4 status code</td>
</tr>
<tr>
<td>12c</td>
<td>12c Ch. 4 status code</td>
</tr>
<tr>
<td>12d</td>
<td>12d Withholding agent’s name</td>
</tr>
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<td>12e</td>
<td>12e Withholding agent’s Global Intermediary Identification Number (GIIN)</td>
</tr>
<tr>
<td>12f</td>
<td>12f Foreign taxpayer identification number, if any</td>
</tr>
<tr>
<td>13a</td>
<td>13a Recipient’s U.S. TIN, if any</td>
</tr>
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<td>13b</td>
<td>13b Ch. 3 status code</td>
</tr>
<tr>
<td>13c</td>
<td>13c Ch. 4 status code</td>
</tr>
<tr>
<td>13d</td>
<td>13d Recipient’s name</td>
</tr>
<tr>
<td>13e</td>
<td>13e Recipient’s country code</td>
</tr>
<tr>
<td>14a</td>
<td>14a Primary Withholding Agent’s Name (if applicable)</td>
</tr>
<tr>
<td>14b</td>
<td>14b Primary Withholding Agent’s EIN</td>
</tr>
<tr>
<td>15a</td>
<td>15a Intermediary or flow-through entity’s EIN, if any</td>
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<td>15b</td>
<td>15b Ch. 3 status code</td>
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<td>15c</td>
<td>15c Ch. 4 status code</td>
</tr>
<tr>
<td>15d</td>
<td>15d Intermediary or flow-through entity’s name</td>
</tr>
<tr>
<td>15e</td>
<td>15e Intermediary or flow-through entity’s GIIN</td>
</tr>
<tr>
<td>15f</td>
<td>15f Country code</td>
</tr>
<tr>
<td>15g</td>
<td>15g Foreign tax identification number, if any</td>
</tr>
<tr>
<td>16</td>
<td>16 Recipient’s account number</td>
</tr>
<tr>
<td>17</td>
<td>17 Recipient’s date of birth</td>
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<tr>
<td>18</td>
<td>18 Payer’s name</td>
</tr>
<tr>
<td>19</td>
<td>19 Payer’s TIN</td>
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<tr>
<td>20</td>
<td>20 Payer’s GIIN</td>
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<tr>
<td>21</td>
<td>21 State income tax withheld</td>
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<tr>
<td>22</td>
<td>22 Payer’s state tax no.</td>
</tr>
<tr>
<td>23</td>
<td>23 Name of state</td>
</tr>
</tbody>
</table>

**For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Cal. No. 11386R  Form 1042-S (2015)
Fellowship Payments

Fellowship payments are paid semi monthly through Payroll.

- **US Citizens and Resident Aliens**
  - this payment does NOT have taxes withheld and is not reported by the University on a tax form.
  
  *(Please see 117(a) Internal Revenue Code for more information.)*

- **Non-Resident Alien**
  - Fill out the foreign national information form.
  
  - **With a tax treaty** - fellowships will not be taxed up to the limit of the treaty and will be reported on a 1042s. If the fellowship exceeds the limit of the treaty, then the excess will be taxed at 14% and will be reported on form 1042S.
  
  - **Without a tax treaty** - fellowships will be taxed at 14% and reported on form 1042S.
TA’s, RA’s and other compensation
All other payments are considered wages by IRS guidelines and are taxable

- **US Citizens and Resident Aliens**
  - Federal and state tax will be withheld based on W-4 allowances. No FICA tax is withheld during academic year. Wages will be reported on form W-2.

- **Non-Resident Alien**
  - Fill out the foreign national information form.
  - **With a tax treaty**
    - Wages paid up to treaty limit are exempt from tax withholding and will be reported on form 1042S
    - If wages exceed the treaty limit, the excess wages will be taxed and reported on a form W-2
      - Note: In this case you will receive BOTH a W-2 and 1042S form
  - **Without a tax treaty**
    - Wages are subject to federal and state withholding but are not subject to FICA. Wages will be reported on form W-2
## What tax forms may I receive???

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>U.S. Citizen or Resident Alien</th>
<th>Nonresident Alien (Treaty)</th>
<th>Non Resident Alien (No Treaty )</th>
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</thead>
<tbody>
<tr>
<td>Fellowship</td>
<td>No form from Brandeis (1)</td>
<td>Form 1042-S</td>
<td>Form 1042-S</td>
</tr>
<tr>
<td>Graduate Teaching Assitantship</td>
<td>Form W-2</td>
<td>Forms 1042-S &amp; W-2 (2)</td>
<td>Form W-2</td>
</tr>
<tr>
<td>Research Assistantship</td>
<td>Form W-2</td>
<td>Forms 1042-S &amp; W-2 (2)</td>
<td>Form W-2</td>
</tr>
<tr>
<td>Other Wages</td>
<td>Form W-2</td>
<td>Forms 1042-S &amp; W-2 (2)</td>
<td>Form W-2</td>
</tr>
</tbody>
</table>

**Notes**

1. Brandeis University does not issue a form, but you should speak with your tax accountant to determine if you need to report
2. If you have a tax treaty, but there is a maximum dollar amount and you exceed the dollar amount exempt from wages during the year, you will receive both forms
Important Links

To request a duplicate form W-2:
http://www.brandeis.edu/financialaffairs/allfinforms/forms/request-duplicate-w2.html

To request a duplicate form 1042-s:
http://www.brandeis.edu/financialaffairs/allfinforms/forms/request-duplicate-1042s.html

To fill out a foreign national information form for treaty eligibility:
http://www.brandeis.edu/business-finance/forms-resources/forms/ForeignInfoForm2013.pdf
*Please note the requested documents listed at the top of the page. We cannot process without all the requested information at the top of the first page.
Questions?

- You can always email:
  - Joe Loynd – Payroll Manager
    jloyndj@brandeis.edu
  - Kerry Coughlin – Lead Payroll Specialist
    kcoughlin@brandeis.edu
  - Payroll – General Payroll Account (in case one of us isn’t in the office that day)
    payroll@brandeis.edu
Graduate Student Association: Tax Information for Graduate Students

Disclaimer: The Graduate Student Association has prepared this document to provide general information about taxes for fellow graduate students attending Brandeis University. It is neither meant to represent official advice nor assumed to be error free. While this document was prepared in consultation with some Brandeis personnel, it is not an official Brandeis University document. For specific questions about your tax responsibilities, please contact the Internal Revenue Service (IRS), an accountant, or an income tax service.

Due Date for Federal and Massachusetts State Taxes: April 15
Note: Since Massachusetts Department of Revenue asks individuals to use amounts from their IRS tax forms when filing with them, this document focuses almost exclusively on IRS questions. Any forms you receive from Brandeis should also be used for any state taxes you file. To determine whether you need to file taxes with Massachusetts Revenue, visit http://www.mass.gov/dor/.

International Students:
Information from Brandeis University to GSAS Incoming International Students: “If you are a non-U.S. citizen, your tax liability is dependent upon any treaties that exist between the U.S. and your country, among other factors. In order to claim a tax exemption, you must complete a Foreign Information Form, if you have not previously done so. This form is available in the Payroll Office, the GSAS office and on the GSAS website (www.brandeis.edu/gsas/forms). Once the form is completed and processed, you will be asked to meet with a Payroll supervisor to sign either a Form 8233 or a Form W-4.”

While international graduate students will find much in this document to be useful, they must also stay informed of their specific tax requirements through Brandeis ISSO’s website: http://www.brandeis.edu/issso/tax/index.html

I. Tax Forms for Graduate Students
Brandeis University reports information to the IRS and to graduate students via two different tax forms:

A. Form 1098-T: Tuition Statement

![Image of Form 1098-T]

B. Form 1099-MISC: Income from Services

![Image of Form 1099-MISC]
With Form 1098-T, Brandeis University’s Student Financial Services reports qualified charges and scholarship/grant transactions that post to your student account. Please see details below for what IS and what IS NOT included in these amounts.

**Form 1098-T, Box 2: Amounts billed for qualified tuition and related expenses**
- The amounts in this box include tuition and required fees charged to your student account during the Calendar Year (January 1 to December 31). This DOES NOT include insurance, because the IRS does not define it as a qualified education expense.

**Form 1098-T, Box 5: Scholarships or grants**
- The amounts in this box include all scholarships and grants credited to your student account during the Calendar Year (January 1 to December 31). For students whose insurance is covered by their fellowship, this DOES include the amount credited to their student accounts to cover any insurance charge. This DOES NOT, however, include any of the amounts paid to graduate students by Payroll (e.g., monthly stipend payments to Ph.D. students, assistantships, paid employment, awards and prizes, etc.).

Please note that Brandeis sends this tax form to the student’s permanent address on file with the university (on Sage). If, for some reason, you did not receive the form via mail, an electronic copy of the form will be available by late January via Brandeis University’s student records website Sage (https://www.brandeis.edu/sage/). To locate the form, log on to Sage. From the “Finances” section of the “Student Center,” use the drop-down menu labeled “other financial . . . ” and select “View 1098-T” and click on the double arrows to the right. This will take you to a page where you can select the specific tax year in question and save the form as a pdf for your own records. If you have any additional questions about Form 1098-T, please contact the form’s preparer, whose name and contact information is listed at the bottom of the box called “Filer’s Name.”

### B. Form W-2: Wage and Tax Statement

<table>
<thead>
<tr>
<th>a. Employee's social security number</th>
<th>b. Employer identification number (EIN)</th>
<th>c. Employee’s name, address, and ZIP code</th>
<th>d. Control number</th>
<th>e. Employee’s first name and initial Last name</th>
<th>g. %</th>
<th>h. Nonqualified plans</th>
<th>i. Employee's address and ZIP code</th>
<th>j. State wages, tips, etc.</th>
<th>k. Social security wages</th>
<th>l. Medicare wages and tips</th>
<th>m. Social security tips</th>
<th>n. Medicare tax withheld</th>
<th>o. Social security tax withheld</th>
<th>p. Total federal income tax withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Wages, tips, other compensation</td>
<td>3 Federal income tax withheld</td>
<td>4 Social security wages</td>
<td>5 Medicare wages and tips</td>
<td>6 Social security tips</td>
<td>7 Medicare tax withheld</td>
<td>8 Social security tax withheld</td>
<td>9 Nonqualified plans</td>
<td>10 State wages, tips, etc.</td>
<td>11 Social security wages</td>
<td>12 Medicare wages and tips</td>
<td>13 Social security tips</td>
<td>14 Medicare tax withheld</td>
<td>15 Total federal income tax withheld</td>
<td></td>
</tr>
<tr>
<td>12a - See instructions for box 12</td>
<td>12b - See instructions for box 12</td>
<td>12c - See instructions for box 12</td>
<td>12d - See instructions for box 12</td>
<td>12e - See instructions for box 12</td>
<td>12f - See instructions for box 12</td>
<td>12g - See instructions for box 12</td>
<td>12h - See instructions for box 12</td>
<td>12i - See instructions for box 12</td>
<td>12j - See instructions for box 12</td>
<td>12k - See instructions for box 12</td>
<td>12l - See instructions for box 12</td>
<td>12m - See instructions for box 12</td>
<td>12n - See instructions for box 12</td>
<td></td>
</tr>
</tbody>
</table>

**W-2 Wage and Tax Statement 2014**

Form 8—To BeFiled With Employee’s FEDERAL Tax Return.
This information is being furnished to the Internal Revenue Service.
General Tax Information

The tuition scholarship portion of the research/teaching assistant or fellowship awards is not considered income to the students. At year end, the students will receive form 1098T from Student Financial Services.

Fellowships

- Fellowship stipends are subject to federal and state income taxes except for amounts spent on "qualified" expenses. The portion of the stipends used for personal items (clothing, food, rent, etc.) is subject to federal and state income taxes.
- Qualified expenses are those for tuition, books, fees or other items required by Brandeis in order to complete a degree.
- Fellows are not required to submit a W-4 (federal) or M-4 (state) form. However, they need to fill out their direct deposit information on BUSS so that their stipend is deposited directly into their bank account.

For US citizens and resident aliens

- Tax regulations do not allow Brandeis to withhold federal or state income taxes from the fellowship stipend.
- Students who determine that a portion of their fellowship will be spent on non-qualified expenses should consider making estimated payments for their federal and state taxes.
- No tax form will be issued by Brandeis at year end.

For non-resident aliens (international students)

- Federal income tax is withheld from fellowship stipends at a flat rate depending on the type of visa, 14% for F-1 or J-1 and 30% for all other.
- State income tax is not withheld. It is the student’s responsibility to determine their state tax liability and make estimated tax payments if necessary.
- Student fellows may be eligible for a federal tax exemption if their home country has a tax treaty with the US. Please see “Tax Treaties” below.
- Brandeis will issue form 1042S at year end.

Teaching and Research Assistantships

- Research and teaching assistantships are subject to taxation and Brandeis is required to withhold for federal and state taxes.
- RAs and TAs must submit tax withholding forms for federal (W-4) and state (M-4) on BUSS before the first payment for their assistantship. Remember that RAs and TAs are paid semi-monthly on the 1st and 15th of each month. Brandeis Payroll will not be able to adjust the withholding for prior pay periods retroactively.
- RAs and TAs need to fill out their direct deposit information on BUSS so that their stipend is deposited directly into their bank account.

For US citizens and resident aliens

- Brandeis will issue form W-2 at year end.

For non-resident aliens (international students)

- RAs and TAs may be eligible for federal and state tax exemption if the student’s home country has a tax treaty with the US. Please see “Tax treaties” below.
Students with a tax treaty will receive form 1042S from Brandeis for the amount that is up to the exemption limit of the treaty. Students without tax treaties or students who receive assistantship payments over the treaty exemption limits will receive form W-2 for the taxable amount.

**Tax Treaties**

Tax treaties for student fellows exempt the student from federal taxes on their fellowship stipend up to the tax treaty limit (if there is a limit). Tax treaties for research/teaching assistants exempt the student from federal and state taxes on their assistantship payment up to the treaty limit (if there is a limit). Payments in excess of the treaty exemption limit are subject to federal and state taxes and are withheld at the same rates as those without tax treaties.

Tax treaty rules vary by country and treaty type and there are different treaties for fellowships and teaching/research assistantships. A list of tax treaties can be found in IRS Publication 901 at [http://www.irs.gov/pub/irs-pdf/p901.pdf](http://www.irs.gov/pub/irs-pdf/p901.pdf). If you think that a tax treaty applies to you please visit the Payroll office at 60 Turner Street to fill out the appropriate forms to claim the treaty exemption. To complete the forms you will need to supply a Social Security Number or an individual Taxpayer Identification Number.

Please contact Robin Trainor in Payroll at x64477 or email Payroll@Brandeis.edu if you have questions about tax treaties.

Tax treaty forms must be submitted every year so please check with Payroll early in January to see if you are eligible for a tax treaty in the next year.

Please note that Brandeis sends the W-2 form to the student’s permanent address on file with the university. If, for some reason, you did not receive the form via mail, an electronic copy of the form will be available by January 31st via Brandeis University’s Human Resources site (BUSS, [http://www.brandeis.edu/humanresources/buss/](http://www.brandeis.edu/humanresources/buss/)). To locate the form, log on to BUSS. From the main page, select “View W-2/W-2c Forms.” This will take you to a page where you can select the specific tax year in question and save the form as a pdf for your own records. Remember that no W-2 will be available there if you are a graduate student who had no teaching or research responsibilities at Brandeis University for that particular fiscal year. If you have any additional questions about Form W-2, please contact the Payroll Office at 781-736-4477 or e-mail payroll@brandeis.edu.

**II. Other Taxable Income Graduate Students are Responsible to Report**

Information from Brandeis to incoming GSAS students who are recipients of Brandeis-based fellowships: “Graduate students receive stipend checks twice a month. You will receive one half of your monthly stipend on the 15th of the month (or the closest workday before the 15th) and the other half on the last business day of the month. . . . You should be aware that the remainder of your stipend [after that paid for teaching and/or research at the university and reported on Form W-2] may be subject to income taxation, although the university is not required to report it to the IRS or to withhold taxes from it. You should consult the relevant IRS guidance ([www.irs.gov](http://www.irs.gov)), tax preparation resources or your tax advisor for the proper treatment in your particular situation, as Brandeis University cannot provide you with tax advice.”

**A. Publication 970, Worksheet 1-1: Taxable Scholarship and Fellowship Income**

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*The requirements for the lines of Worksheet 1-1 occasionally shift. This worksheet example is from Publication 970 for 2013.*
As mentioned above, while Form W-2 reports some taxable income paid by Brandeis University, each graduate student is also responsible for reporting all taxable scholarship sources over and above that reported on the W-2. In order to determine the amount to report, students should consult Publication 970, specifically Worksheet 1-1 and its related definitions. Line-by-line suggestions are indicated below, but please see definitions in Publication 970 and consult with a tax accountant for any specific questions.

### Worksheet 1-1. Taxable Scholarship and Fellowship Income

<table>
<thead>
<tr>
<th>Step</th>
<th>Instruction</th>
</tr>
</thead>
</table>
| 1.   | Enter the total amount of any scholarship or fellowship for 2013. See Amount of scholarship or fellowship, earlier.  
- If you are a degree candidate at an eligible educational institution, go to line 2.  
- If you are not a degree candidate at an eligible educational institution, stop here. The entire amount is taxable. For information on how to report this amount on your tax return, see Reporting Scholarships and Fellowships, earlier, in this chapter. |
| 2.   | Enter the amount from line 1 that was for teaching, research, or any other services required as a condition for receiving the scholarship. (Do not include amounts received for these items under the National Health Service Corps Scholarship Program or the Armed Forces Health Professions Scholarship and Financial Assistance Program.) |
| 3.   | Subtract line 2 from line 1 |
| 4.   | Enter the amount from line 3 that your scholarship or fellowship required you to use for other than qualified education expenses |
| 5.   | Subtract line 4 from line 3 |
| 6.   | Enter the amount of your qualified education expenses |
| 7.   | Enter the smaller of line 5 or line 6. This amount is the most you can exclude from your gross income (the tax-free part of the scholarship or fellowship) |
| 8.   | Subtract line 7 from line 5 |
| 9.   | Taxable part. Add lines 2, 4, and 8. See Reporting Scholarships and Fellowships, earlier, for how to report this amount on your tax return |

**Publication 970, Worksheet 1-1**

**Line 1:** This should include (a) the amount from Box 5 on Form 1098-T, (b) the gross amount of stipends and research awards paid by Payroll, and (c) any other scholarship or fellowship sources paid to you by other institutions. Note: Do not include student loans here.

- To determine the amount of (b) above, log-in to Brandeis’s Human Resources system (BUSS: [http://www.brandeis.edu/humanresources/buss/](http://www.brandeis.edu/humanresources/buss/)) & select “view paycheck” to determine the gross amount paid to you in that fiscal year. For those who do not have an additional form of employment on campus, the most efficient way to do this is to look at the final paycheck for the fiscal year (usually mid-December) and note the “YTD Total Gross” amount. For those of you who happen to hold a part-time job at Brandeis University, you must go through every paycheck for the given tax year, in order to determine the specific gross amount paid for stipends and research awards (including the amount paid for teaching or research on campus). BUSS’s terminology for such amounts include “Domestic Fellowship” (stipend and any Brandeis-based research grants), “Graduate Student Compensation” (amount paid for teaching/research on campus).
Line 2: This should include (a) the amount from Box 1 of Form W-2 paid for teaching or research on campus, if applicable, and (b) anything else that might fall within the definition in Publication 970.

Line 4: This should include any amount that falls within the definition provided in Publication 970. Note: We believe that this does NOT include the payment of health insurance.

Line 6: As per the definitions of "qualified education expenses" provided in Publication 970, this should include (a) tuition & fees paid [from Box 2 of Form 1098-T], (b) any amount spent on books for your studies, and (c) any other amounts that fit the definition.

Line 9: This amount is the taxable portion of your scholarship that you are required to report. Follow directions for reporting in Publication 970. Essentially, this is the amount to report on the wages line of your income tax form (e.g., Line 7 of Form 1040), in addition to any other amounts from other employers. Note: To determine the amount to report as scholarship/fellowship, you must subtract the amount from Worksheet 1-1, Line 2(a) [see footnote 5 below] from Worksheet 1-1, Line 9. You must then report this as "SCH" in the space to the left of the wages and tips line on your income tax form.

B. Federal estimated taxes?
The inclusion of a portion of your scholarship or fellowship in your gross income, as discussed above, may make you liable for estimated tax payments. If so, you will be required to make four equal installments of the tax you expect to owe for each calendar year. Generally, the installments are due on April 15, June 15, and September 15 of the tax year and January 15 of the following year. Students should determine their potential estimated tax liabilities on Form 1040-ES. See Publication 505 for more information.

III. Information for Education-Related Deductions & Credits

See Publication 970 for any and all information about education credits and deductions that could potentially reduce the amount owed to the IRS or to the Commonwealth of Massachusetts. These include, but are not limited to, a student loan interest deduction and a tuition and fees deduction for those who qualify.

IV. Useful Links

Student page for Internal Revenue Service (IRS)
Student page for Massachusetts Department of Revenue (DOR)
Tax Information for Brandeis University's International Students and Scholars Office (ISSO)

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2 For most of you, this will be the entire amount reported in Box 1 of the W-2 form. For those who are also employed part-time at Brandeis, you need to determine the gross amount of "Graduate Student Compensation" from all of your paychecks in the tax year (following similar procedures listed above under Line 1). In other words, this amount should NOT include any wages paid for part-time employment at Brandeis, but only that paid for teaching or research as a condition of your fellowship.

3 You will be required to make Federal estimated tax payments if you expect to owe taxes of $1,000 or more for the tax year, after taking into account all withholding and credits, and the amount of such withholding and credits will be less than 90 percent of the total tax due for the tax year or 100 percent of the total tax shown on your return for the previous tax year.