

IRS NOTICE 2005-76

The Internal Revenue Service has recently announced new rules for federal tax withholding on the wages of non-resident alien employees.

The new rules fall under Notice 2005-76 and are designed to provide for withholding more closely related to the required liability. The change in the rules require the non-resident aliens to claim **“single”** for the marital status **even if they are married** and **“1”** allowance. Non-resident aliens from India, South Korea, Mexico and Canada are exceptions to the new rules. They will not fall under the new withholding rates.

In order to implement the necessary changes, the Internal Revenue is requiring employers to collect a newly completed W4 form for each non-resident alien employee. Non-resident aliens will need to answer the question “Are You A Non-Resident Alien”. The W-4 Form has been updated to reflect this change and will be available on GURU Monday, April 24, 2006. Please keep in mind that a permanent resident is **not** a non-resident alien for tax purposes.

Please forward this message to all non-resident aliens in your unit. Again, the updated form (fill and print) will be available for use on **GURU** Monday, April 24, 2006. The updated form is also available in the Payroll Office at 307 Rider I. Completed forms should be forwarded to the Payroll Office for processing.