W-8BEN for Union College Students

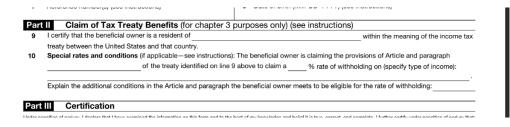
The <u>W-8BEN</u> should be completed by Foreign Individuals, non U.S. Citizens, who are receiving a monetary award while residing in the United States or payment for services provided in the U.S. that are not payroll related. Instructions on how to complete the form can be found here: W-8BEN Instructions.

Union College is required by IRS law to withhold 30% in tax withholdings of the gross payment to be issued to the student if the student is a foreign individual and is providing either a service to Union College for payment (not related to payroll) or receiving a monetary award from Union College, while located in the United States.

Claiming Tax Treaty Benefits or a Discounted Withholding Rate

We encourage Union College students to review both the <u>Claiming Tax Treaty Benefits</u> and the <u>Withholding On Specific Income</u> webpages located on IRS website to determine if they qualify for a tax treaty benefit or discounted tax withholding rate.

To claim the tax treaty benefits or discounted withholding rate Part II of the W-8BEN must be completed.



To claim a discounted withholding rate based on visa type, a copy of the visa must be submitted with the W-8BEN.

To claim a 0% withholding rate based on a tax treaty, IRS form 8233 must be completed in addition to the W-8BEN. Both the W-8BEN and form 8233 may be reviewed by Union's tax attorneys for completion. Once reviewed, Union must submit form 8233 to the IRS for review and approval to not withhold 1042s taxes. The IRS has 10 days to respond to the submission. **This process must be completed prior to payment being issued.** It is recommended to provide these documents to AP a month prior to payment needing to be issued.

Please note: Tax Treaty Benefits claim or claims to withhold at a discounted rate, are subject to review and approval by Union College's Tax Attorney's and the IRS. If additional information is needed Accounts Payable will reach out to the student.

If the student is unsure on how to proceed, we encourage the student to speak to a tax

1042s Tax Documents will be issued in the spring of the following year for those students who have tax withheld.