American Hospitality Academy

Social Security and Tax Information

This Document Contains:

- ✓ How to apply for your Social Security Number
- ✓ What Taxes Must You Pay
- ✓ How to complete a W-4 form
- ✓ For Your Employer - How to Calculate Federal Withholdings
- ✓ Tax Returns

Applying for Social Security Number and Drivers License

All participants must apply for and receive a Social Security Number by visiting their local Social Security office. After you apply, it may take between four and six weeks to receive your card with your Social Security Number. You need a Social Security Number in order to be paid and may also need one, or proof that you've applied for one, to open a bank account. You also need a Social Security Number to file your tax return.

If you already have a Social Security Number, you do not need to apply for another one. If you do not have your physical Social Security card and you do not remember your Social Security Number, you can visit any Social Security Administration office to replace your card for free. To find an office near you, please visit: www.ssa.gov/locator

If you do not have a Social Security Number, you need to apply AFTER your visa as been validated in SEVIS and the waiting period has expired (5 business days after your visa has been validated in SEVIS). **It is important you contact AHA WITHIN 24 HOURS OF ARRIVAL to validate your visa in SEVIS.** Following these guidelines will ensure that your Social Security Number is issued as fast as possible.

What do you need to bring?

- DS-2019
- Passport & J-1 Visa
- Copy of I-94 To obtain a copy of your I-94 go to www.cbp.gov/I94
- Dear Social Security Officer Letter found in this packet
- Social Security Form SS-5 Application that can be filled out and printed found in this packet

After you apply, the Social Security Administration will give you a receipt. This is an important document that you give to your employer to show you have applied for a Social Security Number and are eligible to begin work. If you are asked for a Social Security Number when you open a bank account you can show this document.

When you show your employer the receipt for your Social Security Number application, also show them the Legal Opinion Letter provided by AHA and available in this packet. This letter states that you are eligible for a paycheck even if you do not have your Social Security Number yet. If your employer has any questions about your work eligibility, have them call AHA.

After you apply...
You should check on the status of your application in seven to ten days by returning to the Social Security office. This simple step guarantees that your application is being processed and there are no delays. When you check on the status of your application, be sure to bring your important documents along with your application receipt. Your number may already be available and the Social Security Administration can give you the number right away. Your card will arrive in the mail at the address you provided on your application.

When will my Social Security card arrive in the mail?
If you follow the steps above, you can expect to receive your Social Security Number in four to six weeks. It's very important that the address you use on the application is accurate. If the address on your application changes before you receive your Social Security card, simply visit any Social Security Administration office and update your mailing address.

Tax Facts

J-1 participants must pay:

- ✓ Federal income tax
- ✓ State income tax
- ✓ Local income tax

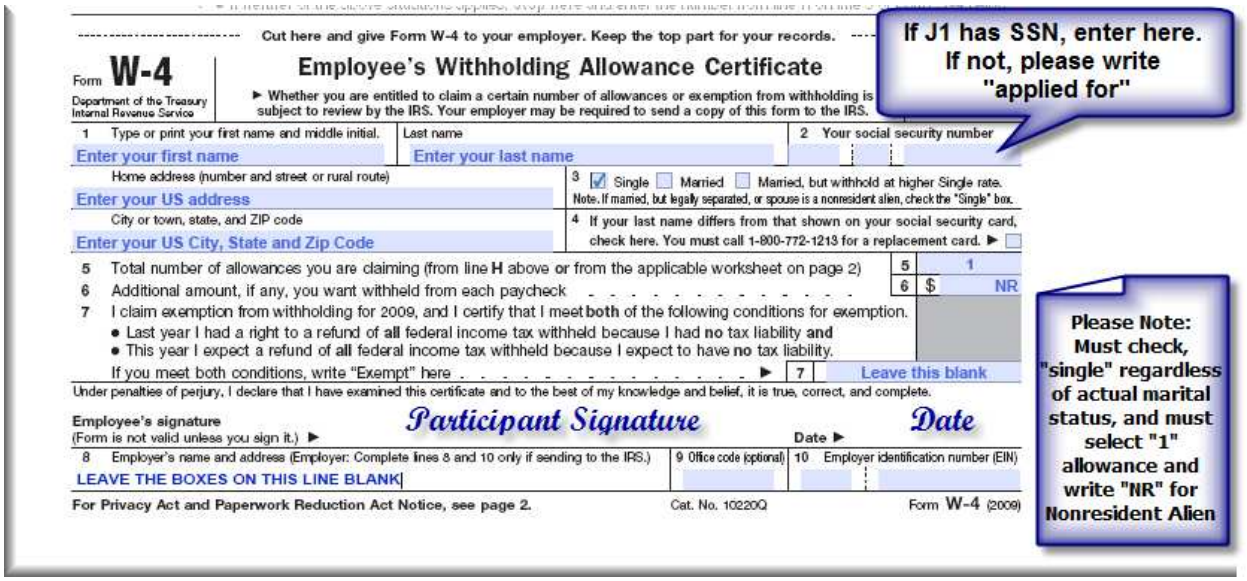
J-1 participants do not pay:

- ✓ Social Security taxes
- ✓ Medicare taxes
- ✓ Federal unemployment taxes

How to Complete a W-4 Form

The IRS provides the following instructions:

- ✓ Do not use the Personal Allowances Worksheet at the top of the W-4, this is for U.S. residents only
- ✓ Check only “Single” marital status on line 3, regardless of actual marital status
- ✓ Claim only one withholding allowance (enter “1” on line 5)
- ✓ Write “Nonresident Alien” or “NRA” above the dotted line on line 6 of Form W-4.
- ✓ J-1 Visitors cannot claim “Exempt” withholding status on line 7



Cut here and give Form W-4 to your employer. Keep the top part for your records.

Form **W-4** Department of the Treasury Internal Revenue Service

Employee's Withholding Allowance Certificate

▶ Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.

1 Type or print your first name and middle initial. Enter your first name | Last name Enter your last name | 2 Your social security number

Home address (number and street or rural route) Enter your US address | 3 ☑ Single ☐ Married ☐ Married, but withhold at higher Single rate. Note. If married, but legally separated, or spouse is a nonresident alien, check the "Single" box.

City or town, state, and ZIP code Enter your US City, State and Zip Code | 4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ▶ ☐

5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) | 5 | 1

6 Additional amount, if any, you want withheld from each paycheck | 6 | $ NR

7 I claim exemption from withholding for 2009, and I certify that I meet both of the following conditions for exemption.
- Last year I had a right to a refund of all federal income tax withheld because I had no tax liability and
- This year I expect a refund of all federal income tax withheld because I expect to have no tax liability.

If you meet both conditions, write "Exempt" here ▶ | 7 | Leave this blank

Under penalties of perjury, I declare that I have examined this certificate and to the best of my knowledge and belief, it is true, correct, and complete.

Employee's signature (Form is not valid unless you sign it.) ▶ Participant Signature | Date ▶ Date

8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) LEAVE THE BOXES ON THIS LINE BLANK | 9 Office code (optional) | 10 Employer identification number (EIN)

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 10220Q Form W-4 (2009)

If J1 has SSN, enter here. If not, please write "applied for"

Please Note: Must check, "single" regardless of actual marital status, and must select "1" allowance and write "NR" for Nonresident Alien

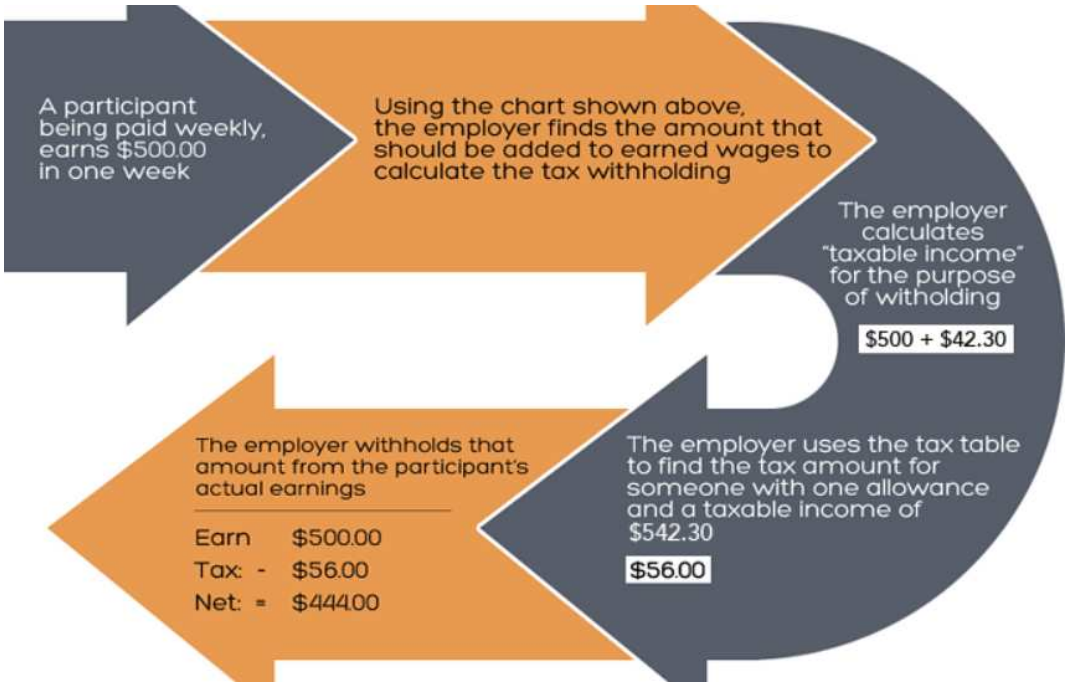
For Your Employer - How to Calculate Federal Withholdings for your J-1 Participants

The following information may be useful to whoever is responsible for processing your payroll. It was gathered from www.irs.gov and applies to tax year 2013. Tax withholding instructions change every year, and employers should be sure to check that they have the latest information. The IRS provides annual instructions to employers in Publication 15, Circular E, which is available at www.irs.gov/businesses.

Employers must follow a special procedure for calculating the amount of federal income tax to withhold from the wages of their J-1 student workers. Employers must add an amount to the employee's wages before calculating how much tax to withhold. This extra amount is solely for calculating the withholding Federal income tax—it is not used when calculating Social Security/Medicare withholdings, does not increase the employee's tax liability, and should not be included on their W-2 form. The additional amount to withhold depends on the frequency of your payroll, as shown below.

Payroll Period	Add Additional
Weekly	$42.30
Bi-weekly	$84.60
Semi-monthly	$91.70
Monthly	$183.30

The example below is for employers who use the "wage bracket" method for calculating withholdings. If you use the "percentage" method, AHA recommends you consult the IRS or a tax professional to ensure that you withhold the correct amounts.



What if I have been Withholding FICA/FUTA from my J-1 Participant's Paycheck?

You should change the employee's withholdings for future paychecks, and issue them a refund of the total amount withheld in error. You can claim a refund of incorrectly paid FICA/FUTA taxes when filing your company's federal tax return. (See instructions for IRS forms 941 and/or 944 for more information.)

After your Workers Return Home

AHA recommends Taxback.com for J-1 student workers who are seeking assistance with their tax returns.

- You will need to send W-2 forms to your workers at the end of the tax year.
- We recommend confirming your workers' addresses with them before they depart.
- Contact the IRS more information: 1-800-829-4933 www.irs.gov/businesses/

What if the J1 participant doesn't have a Social Security number when wage reports (Forms W-2) are due to Social Security?

http://www.socialsecurity.gov/employer/hiring.htm
Paper Filers: If the J1 applied for a card but didn't receive the number in time for filing, enter "Applied For" in Box a. (Reference: IRS Instructions for Forms W-2/W-3, www.irs.gov/instructions/iw2w3/index.html)

Electronic Filers: If the J1 applied for a card but didn't receive the number in time for filing, enter all zeros in the field for the Social Security number. (Reference: Specifications for Filing Forms W-2 and W-2c Electronically)

Remember to instruct the J1 to tell you the number and the exact name printed on the card, when he or she receives it.

My J1 received his or her Social Security number after I filed my wage report. What do I do?

When you receive the J1's Social Security number, file Form W-2c (Corrected Wage and Tax Statement), to show the worker's number. Go to How to File Correction Forms for instructions on filing W-2c's.

Reference: 26 CFR 31.6011

Tax Returns

As a participant in the AHA J1 program, you earn income in the U.S. and you are required to pay Federal, state, and sometimes local taxes. The good news is that you may be entitled to a refund of some or all of the taxes you paid while you worked in the U.S. You are required by law to file a U.S. tax return, even if you will be in your home country when it is time to do this. Tax returns must be filed by April 15 for the previous tax year (January 1 - December 31).

Some participants will need to file two tax returns because of the time of the year they worked in the U.S. For example, if your DS-2019 dates are November 15, 2010 through March 15, 2011, you will file a tax return in 2011 for wages earned November 15 through December 31, 2010. You will also complete a second tax return in 2012 for wages earned January 1 through March 15, 2011.

W-2 Form

Before your last day at work, give your contact information (address, email, telephone, etc.) to your employer so they can mail you your W-2 Form for tax purposes. This form is sent by the employer(s) after the tax year ends and it details the total wages and the amount of each tax that was withheld. At the beginning of the calendar year after your J1 program, you will receive a W-2 form from your U.S. employer detailing what taxes you paid while under their employment. The W-2 must legally be issued by January 31, and you can expect to receive it in February or March at the latest. If you have not received your W-2 by January 31st, please contact your host property.

Filing Your Tax Return

You can file your tax return yourself or you can use a company to file the tax return for you. If using a company to file your tax return for you, AHA suggests Taxback. Taxback offers a **10% discount** to AHA participants. In order to receive the 10% discount you must:

1. You must visit the taxback website using the following tracking web link: **http://www.aha.lnk.taxback.com/**

   and

2. You must answer **"American Hospitality Academy"** when asked you heard about Taxback

If you decide to complete the tax returns yourself, you will need the following forms:

- **W-2 Form** (outlined above)
- **1040NR-EZ** Form - This form is specifically for non-resident aliens. It can be obtained, together with instructions for filling it out, on the US government web site – www.irs.gov (search for "1040NR – EZ form"). Use the charts found in the 1040NR-EZ instructions to determine the tax refund or the amount of tax owed.

- **State Income Tax Form** This form is different for each of the 50 states in the U.S., and you will need to complete the form for the state(s) in which you have worked. A list of state tax sites is available at www.irs.gov.

The earlier you file your tax returns, the sooner you will receive your refund. Remember the standard deadline for filing tax return forms is April 15!

My employer withheld Social Security and Medicare taxes from my salary. Can I get this refunded?

Yes. J visa holders are not subject to Social Security or Medicare taxes as long as they are considered a "non-resident alien for tax purposes" (IRS Publication 519). Refund of these taxes may be requested from your employer. If your employer is unable to refund these taxes, you may file Form 843 and Form 8316 for a refund from the IRS.