

Can anybody receive payments from UC Merced?

No, foreign nationals possessing an immigration visa or status of one of the following types may NOT receive any payment while in the United States. This includes reimbursement for travel and subsistence payments:

- F2 – dependent of an F1
- H4 – Dependent of H1
- O3 – Dependent of an O1 or O2
- P4 – Dependent of a P1, P2, or P3
- TD – Dependent of TN

What are the types of visa that can receive payments then?

The following types of visa are eligible for payments and/or reimbursements.

- A1 – must show all receipts per immigration rules.
- B1, B2 – authorization to receive payment is further restricted by the rules of the American Competitiveness and Workforce Act.
- F1
- H1, H2, H3
- J1 - authorization to receive payment is further restricted by the rules of the American Competitiveness and Workforce Act.
- J2 with Employment Authorization Document (EAD)
- K1, K2 with Employment Authorization Document (EAD)
- O1, O2 (UC Merced sponsored)
- P1, P2, P3 (UC Merced sponsored)
- U.S. Permanent Resident
- Resident/Refugee/Asylees
- TN
- WB, WT - authorization to receive payment is further restricted by the rules of the American Competitiveness and Workforce Act.
- V1, V2, V3 with Employment Authorization Document (EAD)

What is a Tax Identification Number (TIN)?

TIN or tax identification number is a unique number issued by the Federal government and it is required to make a payment and apply for tax treaty exemption. It can either be a Social Security Number (SSN) or Income Tax Identification Number (ITIN). A visitor can apply for an ITIN with UC Merced Certifying Acceptance Agent Erica Fernandez located at the Mondo Building in downtown Merced – 1715 Canal Street.

What is GLACIER?

GLACIER is a secured web based nonresident tax compliance system. It is password driven and can be accessed worldwide 24/7. It determines tax residency, withholding rates, and income treaty eligibility.

What is Initial GLACIER Information Form?

The Initial GLACIER Information Form is filled out by the initiating department who has to pay a nonresident person to request a user ID and temporary password from the GLACIER Administrator for a nonresident payee. The nonresident payee will use the information from this form to fill out and complete his/her GLACIER information.

Why do I have to fill out my GLACIER information online?

A nonresident payee is required to fill out his/her GLACIER information online to determine his/her tax residency, withholding rate, and income treaty eligibility. The GLACIER Income Summary Report must be printed and submitted to the Tax Services before a payment can be processed. This Summary Report together with the required immigration and tax documents listed are required by the taxing authority to be collected by UC Merced before disbursing payment to nonresident payees.

How can I complete my GLACIER information online if I do not have or just applied for my Social Security Number (SSN)?

Just type "applied" on the Social Security Number (SSN) field then update this field when the Social Security Number (SSN) becomes available.

I am a nonresident alien who is not making that much money but why am I paying more tax than my friend?

There are several factors that affect the amount of tax that must be withheld by UC Merced from the payments it disburse.

- Residency status
- Filing status
- Number of exemptions
- Type and amount of payments
- Treaty

I am married nonresident alien, but I was told that I should claim single one (1) or single two (2) on my tax form and I had a refund last year. Can I use married two (2)?

No, nonresident aliens are required by the Federal and local taxing agencies to use only single tax status and claim either one (1) or two (2) exemptions and UC Merced must withhold tax using that same status and exemption to be in compliance with the taxing authorities.

I am a nonresident and I just got married to a U.S. citizen. Can I change my filing status from single to married?

No, you can change your filing status when you become a resident for tax purposes or acquire a U.S. permanent visa. The taxing authorities require UC Merced to withhold at your current visa status.

I have already applied for my U.S. permanent visa; can I change my tax exemption to four?

No, pending visa is not valid to change the filing status and/or number of tax exemptions. UC Merced must withhold tax at the current visa status.

I was told by my advisor that I am getting a fee remission; what is a fee remission? Do I have to pay tax on this fee remission?

Fee remission is a portion of mandatory registration fees that may be paid by a University department for its student/employee. As an employee, the fee remission is exempt from tax.

What is this fellowship that I am receiving and do I have to pay tax on it?

A fellowship is an amount paid for the benefit of an individual to aid him/her in the pursuit of study or research. It may be exempt from tax if it is used for qualified educational expenses and may be taxable if it is used for non-qualified educational expenses.

What is considered financial aid?

Financial aid is a financial assistance given to students. This may be in the form of grants or loans.

What is scholarship?

Scholarship is an amount paid or allowed for the benefit of a student, whether an undergraduate or graduate to aid such individual in pursuing his studies.

What is the tax treatment of a fellowship/scholarship to nonresident alien for tax purposes?

The grid below will explain how a fellowship/scholarship is used, and taxability.

Fellowship/Scholarship Payments	Degree Candidate Undergraduate	Non-Degree Candidate Post Doc
COMPENSATION - requires service	W2 or 1042-S	Trainees /Professional Development
		W2 or 1042-S
Qualified Expenses - books, tuition and required fees	Not taxable / Not reportable	N/A
Non-qualified expenses		
Room and board	Taxable and reportable on 1042-S	Taxable and reportable on 1042-S
Travel (for student benefit)	Taxable and reportable on 1042-S	Taxable and reportable on 1042-S
Equipment (optional)	Taxable and reportable on 1042-S	Taxable and reportable on 1042-S

What is the consequence of tax residency status with regard to fellowship tax withholding?

1. Nonresident resident for tax purposes status have all their fellowship income reported to the Internal Revenue Service (IRS) and generally have federal taxes withheld on the taxable portion of their fellowship.

2. U.S. Citizens, Residents, Refugees, and /or Asylees do not have any of their fellowship income reported, nor do they have federal income taxes withheld on this income. It is therefore advisable for the payee to pay their estimated federal income tax to avoid late fees and interest on their tax owed.
3. California residents do not have any of their fellowship income reported, nor do they have California State taxes withheld on this income. It is therefore advisable for the payee to pay their estimated federal income tax to avoid late fees and interest on their tax owed.

What are the Federal withholding rates for nonresident aliens?

UC Merced is required by the Federal tax authority to withhold income taxes at the following rates:

- Zero percent (0%) – payments to students who are eligible for tax treaty exemption.
- Fourteen percent (14%) – payments to individuals with an F1 or J1 visa status.
- Thirty percent (30%) – payment for individuals with a status other than F1 or J1 visa status.

Are warranty charges taxable?

In general, if the sale of the product is taxable, then the related mandatory warranty is also taxable. If the warranty is optional, the warranty charges are generally not taxable. For more information, see [Publication 119](#), Sales and Tax and Warranties.

Are internet auction sales and purchases taxable?

Generally, internet sales of tangible personal property are taxable in California. Sales and use tax applies to internet sales in the same way as sales made at a retail store or other outlets. Tangible personal property means personal property which may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses. For more information on Internet Sales, see [publication 109](#).

Are shipping and delivery charges taxable?

Generally, shipping and delivery charges (separately stated on the invoice as *shipping, delivery, postage, freight or postage*) are not taxable. However, *handling* is taxable. For more information on shipping and delivery charges, see [publication 100](#).

Are membership fees taxable?

In general, membership fees related to the anticipated sales of tangible personal property are includible in taxable gross receipts when either

1. The retailer sells its products only to members and the membership fee exceeds a nominal amount, or
2. Regardless of the amount of the membership fee, the retailer sells its products for a lower price to a person who has paid the membership fee than to a person who has not paid the fee.