

Student Employee Taxation of Wages Information Sheet

During Fall & Spring Semesters (includes Winter & Spring Breaks):

Federal withholding tax: Based upon the IRS tax withholding tables and your elections on Form W-4 <https://www.irs.gov/pub/irs-pdf/fw4.pdf> for the calendar year in which the semester occurs. Your current Form W-4 remains in effect (except if you are claiming exemption) until you submit a new Form W-4 to the Payroll Office.

Exception: Nonresident alien (NRA) student employees (does not apply to NRA students from India) are subject to an additional amount of federal tax withholding based upon an IRS ‘special calculation’. **In addition**, NRA student employees must complete their Form W-4 using the GLACIER Tax Compliance System. The Payroll Office will not accept a paper Form W-4 from an NRA student employee.

NOTE #1:

For additional information regarding the tax withholding tables and the ‘special calculation’ for NRA student employees, please refer to: <https://www.irs.gov/pub/irs-pdf/p15.pdf>).

ADDITIONAL NOTE #1:

NRA students who are eligible to claim a tax treaty to exempt themselves from federal tax withholding from their wages (Freshman NRA students cannot elect a tax treaty until the Spring Semester) will be contacted via email with instructions on how to do so using the GLACIER Tax Compliance System. This process must be done each calendar year in which you are eligible to claim a tax treaty.

ADDITIONAL NOTE #2:

Form W-4 allows U.S. citizens and resident aliens to claim exemption from federal tax withholding. If you feel you are eligible for this exemption please refer to: <https://www.irs.gov/Individuals/Tax-Trails---Can-You-Claim-Exemption-from-Withholding-on-Form-W-4%3F>. Your exemption is good for **ONE** calendar year only. You will need to complete a new Form W-4 each calendar year for which you are claiming this exemption and remit it to the Payroll Office. If you do not submit a new Form W-4 to the Payroll Office, when this exemption year ends, your federal withholding status will revert to a withholding status of Single with zero exemptions per the IRS.

Lower Merion Township local services tax: The township of Lower Merion imposes a local service tax in the amount of \$52 per year on all individuals who work in the Township and are not eligible for an exemption. To be eligible for an exemption, you need to earn less than \$12,000 within the Township of Lower Merion in a calendar year.

If you are eligible for this exemption, you will need to complete an Exemption Certificate to prevent LST withholding <http://www.lowermerion.org/Index.aspx?page=705>. Your exemption is good for **ONE** calendar year only. You will need to complete a new Exemption Certificate each calendar year and remit it to the Payroll Office.

If you do not claim the exemption for part or all of a calendar year and you do not earn \$12,000 while working in LMT, you can complete a refund form <http://www.lowermerion.org/Index.aspx?page=705> and remit it to the Township of Lower Merion Finance Department.

NJ State Income Tax withholding: Based upon the NJ tax withholding tables and your elections on Form NJ-W-4 <http://www.state.nj.us/treasury/taxation/pdf/current/njw4.pdf> . Your Form NJ-W-4 remains in effect (unless you are claiming exemption) until you remit a new Form NJ-W-4 to the Payroll Office.

NJ residents are allowed to claim exemption from NJ State Income tax withholding on Form NJ-W-4. You are exempt from New Jersey Gross Income Tax Withholdings, if you meet one of the following conditions:

- Your filing status is SINGLE or MARRIED/CIVIL UNION PARTNER SEPARATE and your wages plus your taxable nonwage income will be \$10,000 or less for the current year.
- Your filing status is MARRIED/CIVIL UNION COUPLE JOINT, and your wages combined with your spouse's/civil union partner's wages plus your taxable nonwage income will be \$20,000 or less for the current year.
- Your filing status is HEAD OF HOUSEHOLD or QUALIFYING WIDOW(ER)/SURVIVING CIVIL UNION PARTNER and your wages plus your taxable nonwage income will be \$20,000 or less for the current year.

Your exemption is good for **ONE** calendar year only. You must complete a new Form NJ-W-4 each year certifying that you have no New Jersey Gross Income Tax liability and claim exemption from withholding and remit your form to the Payroll Office.

PA has a reciprocal agreement with NJ that if you are a NJ resident, you may exempt yourself from PA State withholding and opt to have NJ State withholding from your wages. To do so, you must complete the following forms and remit them to the Payroll Office: Form NJ-W-4 <http://www.state.nj.us/treasury/taxation/pdf/current/njw4.pdf> and PA REV-419 <http://www.revenue.pa.gov/formsandpublications/formsforbusinesses/documents/employer%20withholding/rev-419.pdf> . The Payroll Office must receive both forms in order to process this election. These forms remain in effect until you notify the Payroll Office that you are no longer a resident of NJ.

PA State Income Tax withholding: Flat 3.07%. No form is required.

PA Local Earned Income Tax: Depends upon the location of your off-campus residence (this tax does not apply to students living on-campus or to students living off-campus in a locality which does not levy this tax).

NOTE: It is *mandatory* that all student employees complete a **Residency Certification Form Local Earned Income Tax Withholding** when hired **and** if you change your legal name and/or address of residence <http://www.newpa.com/download/residency-certification-form-local-earned-income-tax-withholding-pdf/?wpdmdl=57773> .

Philadelphia City Wage Tax withholding: If you reside off-campus in Philadelphia, the College must withhold Philadelphia city wage tax at the current resident rate: Flat 3.9102%. Your completed Form W-4 and/or your Residency Certification Form Local Earned Income Tax Withholding will indicate that you are a resident of the city of Philadelphia therefore no other form is required to be remitted to the Payroll Office.

During the Summer Semester:

All taxes listed above remain the same unless you change your tax elections or address.

Since student employees are not attending full-time classes during the Summer Semester, they no longer qualify for the student exemption of FICA taxes and will be taxed as follows:

Medicare Tax withholding - Employee rate: Flat 1.45% (no form required).

Social Security Tax withholding - Employee rate: Flat 6.20% (no form required).

Exception: Nonresident alien (NRA) student employees are not subject to FICA taxes.

SPECIAL NOTES:

All of these taxes can be changed by the governing body.

Employees in the Payroll Department are not tax experts and cannot give you tax advice. However, we will attempt to answer any general tax questions that you may have to the best of our ability. Please feel free to contact us at payroll@brynmawr.edu .

In addition, here are additional resources and their contact information:

For Federal Tax Questions:

www.irs.gov

IRS phone number - Individuals: 1-800-829-1040

For Lower Merion Township LST Questions:

www.lowermerion.org

Lower Merion Township Finance Department - (610) 645-6142

For NJ State Tax Questions:

<http://www.state.nj.us/treasury/taxation/email.shtml>

Main Customer Service Center - 609-292-6400

For PA State Tax Questions:

www.revenue.state.pa.us

Taxpayer Service & Information Center: 717-787-8201

For Questions about PA Local Earned Income Tax:

<http://www.newpa.com/local-government/local-income-tax-information/>