To: Human Resources Officers
Payroll Managers

From: Evelyn Nazario
Associate Vice Chancellor
Human Resources Management & CO HR Services

Theresa Hines
Director, HRPPDOS
Human Resources Management

Subject: Nonresident Alien Tax Withholding Changes Effective January 1, 2015

Colleagues:

We are pleased to provide you with information on nonresident alien tax withholding changes effective January 1, 2015. Please note, the SCO remains responsible for implementing tax withholding requirements for affected employee’s wages paid through the Uniform State Payroll System (USPS).

Technical letter HR/Salary 2015-07 is attached for your reference.

Please contact us if you have any questions or concerns.

Warm regards,

Evelyn and Theresa
Date: April 3, 2015

To: Human Resources Officers
Payroll Managers

From: Evelyn Nazario
Associate Vice Chancellor
Human Resources Management & CO HR Services

Subject: Nonresident Alien Tax Withholding Changes Effective January 1, 2015

Summary:
Pursuant to Department of the Treasury Internal Revenue Service (IRS) Notice 1036 (Rev. December 2014) and State Controller’s Office Personnel Letter #15-004, federal tax withholdings for nonresident alien (NRA) employees have changed effective January 1, 2015. Note that the State Controller’s Office (SCO) remains responsible for implementing tax withholding requirements for affected employee’s wages paid through the Uniform State Payroll System (USPS).

Action Item(s):
Information Only

Affected Employee Group(s)/Unit(s):
Employees designated under a nonresident alien tax status who have wages subject to federal income tax withholding

Details:
The Department of the Treasury Internal Revenue Service (IRS) issued Notice 1036 (Rev. December 2014) advising of the changes to the federal tax withholdings for nonresident alien (NRA) employees performing services within the United States. In accordance with the IRS notice, the State Controller’s Office (SCO) updated the tax withholding amounts in the Uniform State Payroll System (USPS), effective January 1, 2015.

Employer Calculation of Withholding on Wages of Nonresident Alien Employees
Effective January 1, 2015, the amount included in the NRA employee’s wages for purposes of calculating income tax withholding for the respective payroll period is as follows:

<table>
<thead>
<tr>
<th>PAYROLL PERIOD</th>
<th>ADD ADDITIONAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>$44.20</td>
</tr>
<tr>
<td>Biweekly</td>
<td>$88.50</td>
</tr>
<tr>
<td>Semimonthly</td>
<td>$95.80</td>
</tr>
<tr>
<td>Monthly</td>
<td>$191.70</td>
</tr>
<tr>
<td>Quarterly</td>
<td>$575.00</td>
</tr>
<tr>
<td>Semiannually</td>
<td>$1,150.00</td>
</tr>
<tr>
<td>Annually</td>
<td>$2,300.00</td>
</tr>
<tr>
<td>Daily or Miscellaneous</td>
<td>$8.80</td>
</tr>
</tbody>
</table>

Distribution:
CSU East Bay President
Cal Maritime Academy President
Vice Chancellor, Human Resources
All Campus Vice Presidents
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Benefits Officers
Employee Relations Designees
Manager, Tax Support Section, State Controller’s Office
Roberta McNiel, Systemwide Financial Services
Hui Won, Systemwide Financial Services
The amounts depicted on the chart should **NOT**: 

- Be included in any box on the employee’s W-2 Form
- Increase the income tax liability of the employee
- Increase the Social Security or Medicare tax liability of the employer or the employee, or the Federal Unemployment Tax Act (FUTA) tax liability of the employer.


The SCO remains responsible for implementing tax withholding requirements for affected employee’s wages paid through the USPS. Refer to [Personnel Letter #15-004](http://www.irs.gov/pub/irs-pdf/p15.pdf) on the SCO’s website for additional information.

**Common Management Systems (CMS) Processing Instructions**

This Technical Letter has no impact on the CMS Baseline.

Questions regarding this technical letter may be directed to Systemwide Human Resources Management at (562) 951-4411. This technical letter is also available on Human Resources Management’s Web page at: [http://www.calstate.edu/HRAdm/memos.shtml](http://www.calstate.edu/HRAdm/memos.shtml).

EN/DTH/vk