MARINE BIOLOGICAL LABORATORY

FAQS
MBL Foreign National - Tax/FNIS
EMPLOYEE - NON EMPLOYEE

GENERAL QUESTIONS	
1.Why does the MBL need my immigration data?	The Marine Biological Laboratory is required by the U.S. Internal Revenue Service (IRS) to withhold federal income tax from ALL payments made to (or on behalf of) a nonresident alien (with a few exceptions). Regulations also require that the MBL report all such payments to the IRS. Therefore, the MBL must review all data related to the immigration status and purpose of their stay of all payment recipients at the MBL who are not U.S. citizens or lawful permanent resident aliens. Determining tax residency and tax treaty eligibility is a complicated and difficult task which is why the MBL uses the IRS tax compliance database called **Foreign National Information System ("FNIS").**
2.What is FNIS? **(Foreign National Information System)**	The MBL Financial Services department is responsible for tax compliance for payments made to all foreign national non-employees and employees of the MBL. To perform this task, Financial Services utilizes the secure online tax compliance program FNIS. All foreign national employees and non-employees receiving payment(s) are required to enter data related to their immigration history and presence in the United States. FNIS will then determine their tax status and eligibility for treaty benefits. **Please list all Visa Activity that satisfies the following criteria:** • **F, J, M, or Q visa immigration activity since January 1, 1985** • **Visa immigration activity since January 1, 1985, for which you received treaty benefits**
3. What is the process for providing my immigration data and signing the necessary tax related forms?	You will be sent an email with (1) a link to the system with a user name and a temporary password and (2) Instructions on how to complete your information in FNIS. Once FNIS is completed and your information reviewed for accuracy, the MBL Financial Services team will send a follow up email on how to access the necessary tax forms for printing and signing. The entire process can be done electronically, which eliminates the need to meet face to face and results in faster processing of the tax forms. *****Note -** You will receive a link to FNIS roughly 45 days prior to your arrival. If you do not receive an email and link within approximately 30 days of your planned arrival, please **email fnis-taxnav@mbl.edu for an account invitation and temporary password. In your email** - please tell us who you are, your role, and **any additional important information.**

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4. Completing FNIS:	A key part of the foreign national payroll process is submitting data via the secure FNIS database website. All Foreign nationals receiving funding from the MBL, such as salary, hourly, wages, stipends, fellowships, honorariums, travel reimbursements, must complete FNIS. FNIS records are maintained only on a yearly basis therefore, they must be updated from calendar year to calendar year. If you need to unlock your profile from a prior year, please email: fnis-taxnav@mbl.edu and include in the message that you will need to update your FNIS information. Tax forms cannot be generated until your FNIS has been accurately completed. If you are a US Citizen – **you will not complete a FNIS profile.**
5. What is FICA?	"FICA" (which stands for "Federal Insurance Contributions Act") refers to the payroll taxes withheld from your salary that fund both the U.S. Social Security and Medicare programs. Employees who are full-time students, nonresident alien students (first five years) (F-1s/J-1s) and nonresident alien scholars (J-1s in the first two years of their program) do not have to pay FICA taxes. If you are required to pay FICA taxes, the Medicare contribution is identified as "Employee Medicare" and the Social Security contribution is identified as "Social Security Employee Tax" on your MBL paycheck. If you are unsure or have questions, please consult with a qualified tax professional.
6. Tax Treaties	Foreign national employees of the MBL may qualify for a full or partial exemption from federal tax withholding if a tax treaty exists between the U.S .and the foreign national's country of **tax** residence. The FNIS tax compliance software will assist with determining eligibility for a tax treaty benefit and provide all of the necessary paperwork. This paperwork must be renewed on an annual basis. See the IRS website for more details on Treaties.
7. Social Security Number	A social security number is a permanent nine-digit identification number/card issued by the Social Security Administration (SSA). It is used primarily to identify participants in the federal government's Social Security Program but because it is unique to each person the number is now used by many other public and private organizations. **Anyone employed in the United States must obtain a social security number.**

8. Who should apply for an ITIN?	Foreign Nationals who will receive a stipend, scholarship or a fellowship, as opposed to receiving a wage or a salary from the MBL, are not eligible for a Social Security Number (SSN) and must instead apply for an ITIN. Students and scholars who receive an ITIN and later become eligible for an SSN should then apply for an SSN and then cancel their ITIN.
9. Why is my Tax Status Important?	In order for the MBL to comply with U.S. tax laws, it is necessary for the MBL to determine your U.S. tax residency status. The IRS has developed a test of days present in the U.S. and rules as to which foreign nationals are subject to that test: Substantial Presence Test ("SPT"). MBL's reporting requirements to the IRS are determined by the payee's tax residency. Resident aliens for tax purposes have met the SPT.
10. What is the Difference between Nonresident Alien and a Resident Alien?	A nonresident alien for tax purposes is taxed only on his/her U.S. based income and has tax rates specific to nonresidents. A resident alien for tax purposes is subject to U.S. taxation on his/her income, i.e. you are taxed in the same manner as a U. S. citizen.
11. What if I Do Not Submit my forms or documents to the MBL?	If you do not complete the information in FNIS and submit the required forms and documents, the incorrect amount of tax will be withheld from all taxable payments made to you. This may result in you owing tax at the end of the year.
12. Can I Be Exempt From Tax Withholding?	Approximately 65 countries have tax treaties with the United States and some of these treaties allow payments of one type or another to international students and/or scholars to be exempt from U.S. taxation. The tax compliance software, FNIS will determine whether or not you qualify for a tax treaty exemption, and will provide you with the necessary information and forms to take advantage of your tax treaty benefits. This paperwork must be renewed on an annual basis, so be sure to renew the paperwork at the appropriate time each year. **MBL renews all treaty paperwork annually in December for the following year after you have updated your FNIS profile for the calendar year.**

13. What type of income is taxed?	Taxable income can come from various sources such as compensation/wages, scholarships, etc. (A complete list of taxed income may be found in IRS and state tax guides.) The most common type of income is compensation/wages; the money withheld from each paycheck is an estimated payment of the federal and state income tax obligation. This money is sent by the employer to the IRS and the Massachusetts Department of Revenue under the individual's tax identification number (Social Security number or ITIN). Taxable scholarship payments may have some amount withheld just like wages.

GENERAL INCOME TAX QUESTIONS	
14. If I worked in the U.S. during the year but returned to my home country, do I have to file taxes in the United States?	**Yes**. All individuals who were present in the United States for any portion of a year must file a tax report for that year. The MBL will mail your W-2 or your particular tax form to your address provided. The MBL provides Form W-2 and various other tax forms depending on your unique situation.
15. What are the consequences of not filing?	Payment of income tax is not voluntary; it is required by law. One of the conditions of your visa is to comply with U.S. law. If you owe taxes and don't file, the IRS can assess penalty and interest and seize U.S. bank assets for repayment. Fines and penalties can often amount to more than the original tax debt. Additionally, if you are resident alien for tax purposes, you could be penalized for not complying with the Patient Protection and Affordable Care Act (ACA). There can also be immigration consequences for failing to file taxes. Applicants for permanent residency "green cards" may be asked to show proof of tax filing for previous years in the U.S.
16. What is the deadline for filing tax returns?	Tax returns are generally due by April 15th of the following year, unless April 15th falls on a Saturday, Sunday, or legal holiday. •

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TAX TREATIES	
17. I have a tax treaty that exempts all of my income from U.S. taxation; do I still have to file a tax return?	**Yes.** One condition of tax treaty eligibility is that the treaty recipient is required to file an annual U.S. tax return. Failure to file the return can lead to the loss of the treaty benefit.
18. I am a resident alien for tax purposes. How do I claim my treaty?	Instructions for claiming a tax treaty can be found in IRS Publication 519: U.S. Tax Guide for Aliens

TAX FORMS	
19. Who will receive Form 1042-S from the MBL?	1042-S forms will be available in your FNIS account in **March** for the following: • A non-resident alien (NRA) student or scholar who was employed **and was exempt under a tax treaty** • Any nonresident alien student or scholar who received a taxable scholarship/fellowship award greater than tuition charges • Any non-resident alien (NRA) who received a non-employee honoraria, prize or award, or taxable reimbursement
20. What should I do if I didn't receive form 1042-S from MBL? **21. What should I do if I didn't receive or if I lost the Form W-2 or 1099?**	**Not all students and scholars will receive a Form 1042-S.** However, if you fit one of the categories above and expected to receive a Form 1042-S and cannot find your 1042-S in FNIS after **March 20**, please email FNIS administrators at fnis-taxnav@mbl.edu . • For an MBL W-2: ○ Current Employees Only: Log into UKG/Ulitpro HR/Self-Service portal using your MBL email and Password. Scroll down on left side to "PAY" next, "US wage and Tax Statements" for your W2 history. ○ For a NON-MBL Employee: If you have not received Form W–2 or Form 1099, or received an inaccurate form, contact FNIS-TAXNAV@MBL.EDU. You may not have received your form because of an incorrect or incomplete address. Be sure to verify the address used if already mailed. If the form was returned to your employer/payer because of an incorrect address, or never mailed, and the employer/payer intends to issue or re-mail, allow a reasonable amount of time for this action to occur before calling the IRS for help.

22. Where can I find resources or more information?	Internal Revenue Service (IRS): http://www.irs.gov Publication 519: U.S. Tax Guide for Aliens: https://www.irs.gov/forms-pubs/about-publication-519 Publication 901: Tax Treaties: https://www.irs.gov/forms-pubs/about-publication-901 Massachusetts Department of Revenue: https://www.mass.gov/orgs/massachusetts-department-of-revenue Questions about your **MBL W-2?** Please contact: humanres@mbl.edu Questions about your **MBL 1042-S?** Please contact: fnis-taxnav@mbl.edu

23. Wage Earners (hourly/salary) Vs Stipend Recipients	**STIPEND Recipients:** A form of support paid to an individual, sometimes originating from a "fellowship" that is intended to help cover living expenses during a research, training or other type of academic experience. A stipend is not considered payment for work. It is meant to provide a living allowance that enables the student or scholar to focus on the educational or research experience. Stipend recipients are not considered "employees" of the institution. **WAGE Earners:** Terms "wage" and "salary/hourly" are often used interchangeably and refer to compensation for work. A "wage earner" is someone who is paid an annual salary or hourly wage. Hourly employees are paid for each hour they work and track their hours in UKG. Salaried employees receive a fixed dollar amount each pay period.

24. Anything else?	• Make a copy of everything you send the government relating to your taxes and keep it in a safe place. • Be sure to use the same exact email address across platforms • Provide only the email address that you are **ACTIVELY monitoring** – we need to be able to communicate with you in a timely manner. Be mindful of work emails with "Out of Office" auto replies. • Please note, MBL staff are not trained to give tax advice. For assistance with your tax obligations or filing, you are encouraged to consult a qualified tax professional. It is the responsibility of each foreign national to comply with the U.S. tax regulations.