

STATE CONTROLLER'S OFFICE
PERSONNEL AND PAYROLL SERVICES DIVISION
P.O. BOX 942850
SACRAMENTO, CA 94250-5878

DATE: January 2, 2019

PERSONNEL LETTER #19-002
(CSU ONLY)

TO: All Campuses in the Uniform State Payroll System

FROM: Marissa Revelino, Chief
Personnel and Payroll Services Division (PPSD)

RE: VERIFICATION OF EMPLOYEES IDENTIFIED AS NONRESIDENT ALIENS

The State Controller's Office (SCO) maintains a database of all Nonresident Alien (NRA) employees. As of January 2, 2019, all employees identified as NRA, per federal tax withholding rules determined by the Internal Revenue Service (IRS), are on the NRA report. For more information on this process, please see Payroll Letter #06-029.

NONRESIDENT ALIEN REPORT:

SCO will mail a hardcopy of the NRA report to each campus' human resources office. All employees on the NRA database as of January 2, 2019 are on the report, including those who are active, on leave or separated. The report is sorted by social security number and includes the employee's name, position number, federal marital status, number of federal tax exemptions being claimed and an 'X' to indicate if the person has separated.

If your campus does not receive a report by January 15, 2019, then there are no individuals currently employed at your campus on the NRA database.

VERIFYING THE REPORT:

Please review each record on the report and verify that the employee is still an NRA per the rules indicated in [IRS Notice 2005-76](#). Use the attached form to indicate any employee changes and complete the campus name, contact person, contact number/email and authorizing signature.

If an employee separated or changed status and is no longer an NRA subject to the federal tax withholding rules, complete his/her name, social security number and enter 'delete' in the type of change field. If there are any NRA employees missing from the report, add the employee's name, social security number and enter 'add' in the type of change field. If there are no changes, please mark the box 'No Changes' at the bottom of the form.

Return the completed form through secure fax at (916) 322-8137 or mail to the following address:

State Controller's Office
Personnel/Payroll Services Division, Attn: Statewide Tax Support Program
P.O. Box 942850
Sacramento, CA 94250-5878

All responses are due by January 21, 2019 to update our NRA database and to comply with the IRS.

EMPLOYEE ACTION REQUEST (EAR), FORM STD. 686 OR STUDENT PAYROLL ACTION REQUEST (SPAR), FORM STD. 457:

Campuses should verify that the employees on the report are claiming the appropriate federal marital status and number of federal tax exemptions. Per IRS Notice 2005-76, the listed NRA employees must claim a federal marital status of “S” for single, regardless of their actual marital status and cannot claim more than “1” federal tax exemption with exceptions made for Canada, Mexico, or South Korea. An NRA employee cannot claim exempt from federal taxes unless they are covered under a tax treaty.

Verify that employees complete their Employee Action Request (EAR), Form STD. 686 or Student Payroll Action Requests (SPAR), Form STD. 457 correctly. Do not accept documents that request a federal marital status or tax exemptions other than allowed by the IRS. For employees on the report with incorrect federal marital status/tax exemptions, have the employees complete and submit a Form STD. 686 or Form STD. 457 with the appropriate information.

If you have any questions, please contact Sylvia Fernandez via phone at (916) 323-4923 or sfernandez@sco.ca.gov.

MR:JEB:SF:PPOB

Attachment

