

MATHEMATICAL SCIENCES RESEARCH INSTITUTE

Mailing address: 17 Gauss Way, Berkeley, CA 94720-5070

Financial Information for MSRI Members

If you were offered financial support in your official offer letter from MSRI, please read the following information carefully. It contains very important financial and tax information regarding the payments you will receive from MSRI.

Non-Taxable Payments for all Visitors to MSRI

Travel reimbursements are non-taxable. Amounts have to be substantiated by receipts and will not exceed the maximum amount offered in your official offer letter.

Per Diem payments are non-taxable. Maximum allowable Per Diem rates are set by the IRS annually as of 10/1 of each year for each location in the U.S. and abroad. Full Per Diem rates are payable for the first 29 days, thereafter the maximum allowable rate is 55% of the full Per Diem rate. Your offer letter will be structured accordingly.

Taxable Payments

All payments (except the above) are considered taxable income by the US Internal Revenue Service (**IRS**), i.e. the federal government. MSRI is required to withhold tax in some cases in accordance with IRS regulations. Please be aware of your own tax obligations and study the appropriate tax publications or consult a tax professional on this issue.

All visitors to MSRI, whether in the category of General Member, Postdoctoral Fellow, Research Professor, or Workshop Participant, are treated as non-employees, i.e., **MSRI visitors are paid as Independent Contractor**. This means

- MSRI will report your income on **IRS Form 1099 or IRS Form 1042-S** (for foreigners).
- You will not receive a W-2 form at the end of the year.
- If you are a US resident, you may need to make **quarterly estimated tax payments** to the IRS, and
- If a resident, you are responsible for all **Social Security Taxes** on your income from MSRI.

State of California tax withholding of 7% applies to all payments of \$1,500 and more. Federal (IRS) withholding applies only to foreign visitors.

Financial Information for MSRI Members continued:

Foreign Visitors: Please bring a copy of your passport, US visa stamp, and **I-94** card when you arrive at MSRI. Additionally, F-1 visa holders need to provide MSRI with a copy of form **I-20**, and J-1 visa holders need to provide MSRI with a copy of form **S-2019**. Payments to foreign visitors are subject to the following federal and state taxes:

If your Visa Status is:

Waiver-business, B-1 visa
J-1, F-1

Tax withholding on your payments will be:

30% federal tax plus 7% state tax of payments over \$1,500
14% federal tax plus 7% state tax of payments over \$1,500

Payment is *not* permitted on a Waiver-tourist or B-2 visa.

Payments to non-US citizens (Nonresident Aliens) may be exempt from federal tax under a tax treaty with your home country, or if you qualify as a Resident Alien for tax purposes. **If you were offered \$1,500 or more by MSRI or you wish to apply a tax treaty from your home country, you must have either a US Social Security Number (SSN) or a US Individual Taxpayer Identification Number (ITIN) in order to qualify.** Visitors who wish to apply a tax treaty but do not have a US SSN or ITIN will need to apply for one in person at an office of either the Social Security Administration or the Internal Revenue Service while in the US. Foreign visitors may also apply for a US Tax Identification Number in person at the US Consulate in their home country.

Payments to U.S. citizens and Permanent Residents of the U.S. who are **out-of-state residents**, i.e. Non-Residents of the State of California, are subject to the 7% California withholding tax.

Payment frequency: Monthly

All checks (Per Diems, Expense Reimbursements, other payments) will be placed into each Member's mailbox after 1:00 pm on the last business day of each month.