

2021 Federal Withholding – Nonresident Alien Procedures



OFFICE OF THE
COMPTROLLER
Illinois State University

Payroll

Revised 1/8/21

Effective for wages paid beginning January 1, 2021. Supersedes any formulas before January 1, 2020.

Nonresident alien for tax purposes employees. Employers must use a modified procedure to figure the amount of federal income tax withholding on the wages of nonresident alien employees. This procedure is discussed in Publication 15-T (Federal Income Tax Withholding Methods). Before you use these tables to figure the federal income tax withholding on the wages of nonresident alien employees, see Publication 15-T (Federal Income Tax Withholding Methods).

Nonresident alien students from India and business apprentices from India are not subject to this procedure.

Instructions: To figure how much income tax to withhold from the wages paid to a nonresident alien for tax purposes employee performing services in the United States, use the following steps.

- Step 1** Determine if the nonresident alien employee has submitted a 2020 Form W-4 or an earlier Form W-4. Then add to the wages paid to the nonresident alien employee for the payroll period the amount for the applicable type of Form W-4 and payroll period.

If the nonresident alien employee was first paid wages before 2020 and has not submitted a Form W-4 for 2020 or later, add the amount shown in Table 1 to their wages for calculating federal income tax withholding.

Nonresident Alien Withholding	
Table for Withholding Adjustment for Nonresident Alien Taxation	
Pay Period	Additional Amount
Semimonthly	\$343.80
Monthly	\$687.50
Annually	\$8,250.00

If the nonresident alien employee has submitted a Form W-4 for 2020 or later or was first paid wages in 2020 or later, add the amount shown in Table 2 to their wages for calculating federal income tax withholding.

Nonresident Alien Withholding	
Table for Withholding Adjustment for Nonresident Alien Taxation	
Pay Period	Additional Amount
Semimonthly	\$522.90
Monthly	\$1,045.80
Annually	\$12,550.00

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Step 2 Enter the amount figured in Step 1 above as the total taxable wages on line 1a of the withholding worksheet that you use to figure federal income tax withholding.

The amounts added under the chart above are added to wages solely for calculating Federal income tax withholding on the wages of the nonresident alien employee. The amounts from the chart above should not be included in any box on the employee's Form W-2 and does not increase the income tax liability of the employee. Also, these chart amounts do not increase the social security, Medicare, or FUTA tax liability of the employer or the employee.

This procedure only applies to nonresident alien employees who have wages subject to income tax withholding.

If you have questions, call the Payroll Office at (309) 438-7677 or e-mail payroll@ilstu.edu.