
Year-End Nonresident Alien and Foreign Vendor Tax Compliance Training Syllabus

Lecture Track

December 6 – 7, 2011
Doubletree Guest Suites
Boston, Massachusetts



*Schedule subject to change.

Presented by Windstar Technologies, A Thomson Reuters Business

Tuesday, December 6, 2011 – LECTURE TRACK

7:30 – 8:30 *Registration and Continental Breakfast*

8:30 – 10:00 **IRS Initiatives Affecting Withholding and Reporting on Payments to Foreign Individuals and Vendors**

10:00 – 10:10 *Break provided by Windstar*

10:10 – 12:00 **Tax Rules of the Road**

Presenter: Paula Singer

- The “Four Highways” of Taxation
 - ◆ Federal Income Taxes
 - ◆ State Income Taxes
 - ◆ Social Security (FICA) Medicare Taxes
 - ◆ Income Tax Treaties
- Identify the Payee – NRA vs. RA
 - ◆ Immigration Status
 - ◆ U.S. Presence
- Identify the Character of Payment
 - ◆ Type of Income
 - ◆ Source of Income
- Identify the Tax Exemptions
 - ◆ Code Exemptions and Required Conditions
 - ◆ Income Tax Treaties
- Apply the Procedural Rules
 - ◆ Special Wage Withholding Rules
 - ◆ Withholding Forms – 8233, W-8BEN, W-9, etc. and Reporting Forms 1042-S
- Tax Return

12:00 – 1:00 *Lunch provided by Windstar*

CONCURRENT SESSIONS

**Payments to Foreign Employees
and Student Track**

**Payments to Foreign
Vendors Track**

1:00 – 2:25

Immigration Basics

Presenter: Linda Dodd-Major

- Terms and Concepts
- Common Points of Confusion
- Understanding the Process
- Alien Visitors
- Work Authorization

**Three Big IRS Audit Targets in AP:
Form 1099, Form 1042, and Contractor
Classification Compliance**

Presenter: Marianne Couch

- Payments Flagged for 1099 Reporting, or Reported When They Should Have Been on a W-2
- Payments to Foreign Persons Not Properly Documented
- Payments to Workers Who Were Paid from AP but Should Have Been Paid Through Payroll

2:25 – 2:35 *Break Provided by Windstar*

Tuesday, December 6, 2011 – LECTURE TRACK (*Continued*)

CONCURRENT SESSIONS

Payments to Foreign Employees and Student Track

Payments to Foreign Vendors Track

- 2:35 – 3:45** **Immigration Documentation of NRA for U.S. Tax Purposes**
Presenter: Terri Crowl
- Recognizing and Interpreting Immigration Documentation
 - Who Gets What and Why?
 - Key Features of Documents
 - Coordinating Immigration and Other Documentation
 - Importance of Maintaining Records of Immigration and Other Documents

- Tax Treaty Implications on Payments to Foreign Vendors**
Presenter: Paula Singer
- What Treaties Do
 - New and Amended Tax Treaties
 - When Treaty Provisions Become Effective
 - Who is Eligible for Treaty Benefits
 - Types of Benefits
 - ◆ Pay for Services
 - ◆ Royalties
 - ◆ Rents
 - ◆ Grants, Prizes, and Awards
 - Permanent Establishment Issues
 - How Treaty Benefits are Claimed
 - How Treaty Benefits are Reported

3:45 – 3:55 **Break Provided by Windstar**

- 3:55 – 5:10** **Introduction to Income Tax Treaties**
Presenters: Terri Crowl and Paula Singer
- What Treaties Do
 - When Treaties Come Into Force
 - Upcoming Tax Treaties and Protocols
 - What Taxes Are Covered
 - Who Can Have Treaty Benefits
 - How Treaty Benefits Are Lost
 - How Treaty Benefits Are Preserved
 - Withholding and Reporting Form

- Overview of W-8 Reporting Forms and Solicitation Process**
Presenter: Marianne Couch
- Overview of the Forms
 - Who's a non-U.S. person?
 - Citizens v Residents v Non-residents
 - Puerto Rico and U.S. Territories
 - Basics of Taxation
 - ◆ U.S. Source v Worldwide Income
 - ◆ Requirement to withhold 30%
 - ◆ Depositing the tax
 - Types of Payments

5:10 – 6:00 **International Tax Navigator®
Demonstration
(Optional)**

**W-8 E-Compliance™
Demonstration
(Optional)**

6:00 – 7:00 **Cocktail Reception**

Wednesday, December 7, 2011 – LECTURE TRACK

7:30 – 8:30 *Continental Breakfast Provided by Windstar*

CONCURRENT SESSIONS

Payments to Foreign Employees and Student Track

Payments to Foreign Vendors Track

8:30 – 10:00 **Tax Treaty Benefits and Limitations**

Presenter: Terri Crowl

- Benefits and Limitations
 - ◆ Required Pay
 - ◆ Maximum Amounts
 - ◆ Treaty Benefit Periods
- Benefits and Limitations for:
 - ◆ Students
 - ◆ Professors, Teachers, Researchers
 - ◆ Independent Contractors
 - ◆ Artists and Athletes
 - ◆ Prizes and Awards
 - ◆ Royalties
 - ◆ Foreign Entities
- Withholding and Reporting Forms

**Documenting the U.S. or Foreign Status of
Your Payee**

Presenter: Marianne Couch

- IRS v INS
- Substantial Presence Test
- How to Source Income
 - ◆ Rules for Services, Rent and Royalties
- Payments for Goods and Services

10:00 – 10:10 *Break Provided by Windstar*

10:10 – 12:00 **Resident or Nonresident: Identify
the Payee**

**Presenters: Paula Singer and
Terri Crowl**

- NRA or RA?
- Green Card Test
- Substantial Presence Test
- Days That Do Not Count
- Rules for “Exempt Individuals”
- Residency Start and End Dates
- Residency Elections

**Tax Reporting Requirements and Procedures
on Payments for Service Contracts, Software
Agreements, Royalties and Rents to Foreign
Vendors**

Presenter: Marianne Couch

- Sourcing Income for Digitized Information
- Software Rules
- Sourcing for Services Performed Both
Within and Outside the U.S.
- Artists, Athletes, and Entertainers
 - ◆ Central Withholding Agreements
- U.S. TINs and NRAs
- Forms W-8BEN and 8233
- Should You Gross Up a Payment?
- Form W-8ECI and Effectively Connected Income

12:00 – 1:00 *Lunch Provided by Windstar*

Wednesday, December 7, 2011 – LECTURE TRACK (*Continued*)

CONCURRENT SESSIONS

Payments to Foreign Employees and Student Track

Payments to Foreign Vendors Track

- 1:00 – 2:20 Scholarships and Fellowships**
Presenter: Paula Singer
- Qualified (Nontaxable)
 - Nonqualified (Taxable)
 - Candidate for a Degree Defined
 - Travel Grants
 - Withholding – Tax Rates and Exceptions
 - Withholding Allowances
 - Treaty Claims and Forms
 - Form 1042-S Reporting

- Tax Reporting Requirements and Procedures on Payments to Foreign Vendors (*Continued*)**
Presenter: Marianne Couch
- Payments to Agents
 - U.S. vs Foreign Agents
 - ◆ The Purpose of the Form W-8IMY
 - Form W-8EXP
 - ◆ Why it's rarely the correct form for AP
 - Obtaining W-8s electronically
 - ◆ Rules for original forms
 - What happens if you don't have and can't get documentation on/from your vendor?
 - ◆ IRS presumption rules
 - Recordkeeping and due dates

2:20 – 2:30 Break Provided by Windstar

- 2:30 – 3:45 Wages**
Presenter: Terri Crowl
- NRA Withholding Rules
 - NRA Form W-4
 - NRA FICA Exception
 - Student FICA Exception
 - Treaty Claims and Forms
 - Form W-2 vs. Form 1042-S

- FACTA Updates and Best Practices Policies and Procedures and Case Studies**
Presenter: Marianne Couch
- FACTA Updates
 - What Documentation to Collect for Common Payment Types
 - Case study: W-8 Solicitation and Reporting Example
 - Case studies Form 1042-S IRS Paper and Electronic Submissions

3:45 – 3:50 Break Provided by Windstar

- 3:50 – 5:30 Best Practices Policies and Procedures on Payments to Foreign Students and Employees**
Presenter: Terri Crowl
- Ensuring You're Kept in the Loop
 - Campus Liaisons/Who to Have in Your Corner and How to Get Them There
 - Gathering Basic Information
 - What Documentation to Collect for Common Payment Types
 - Case studies

- 1042-S International Information Reporting on Payments to Foreign Vendors and Individuals**
Presenters: Gary Singer and Paula Singer
- Form 1042-S Reportable Payments
 - Payments Not Reportable on Form 1042-S
 - Form 1042-S Codes and Where to Find Them
 - Extensions of Time to File