

Reporting Nonresident Alien Postdoctoral Scholars Receiving Contributions towards University-Paid Life/AD&D and University-Paid Disability Insurances

1.0 Overview

The University is required to impute income for those Nonresident Alien Postdoctoral Scholars receiving contributions to health and welfare benefits. The health benefits include the University-Paid Postdoctoral Scholar Benefits Program (PSBP) Life/AD&D and University-Paid PSBP Disability Insurances assessed in the Distribution of Payroll process. A new report should provide locations with the information needed to manually record on the individual's Employee Data Base (EDB) Record any imputed income stemming from the PSBP Life/AD&D and Disability premiums assessed during the Distribution of Payroll Expense process.

2.0 General Description of Required Changes

In order for locations to impute income for the University-Paid PSBP Life/AD&D and Disability benefits, data should be gathered from each payroll compute that identifies a Nonresident Alien Postdoctoral Fellow or Paid Direct anticipated to receive University-Paid PSBP Life/AD&D and Disability premiums. Locations will be required to verify the amounts and manually update, as applicable, the individual's EDB record.

3.0 New Data Required to Support Modifications

This request does not add data to the individual's record on the EDB; instead it asks for data to be calculated and displayed on a new report. This data will be the "Total Imputed Income" and "Estimated Tax" amount.

4.0 Current Process

During a Payroll Computation Cycle, when the value of a health benefit is considered imputed income, the imputed amount is added to the federal and state taxable grosses and federal and state withholding taxes are deducted. However, the Distribution of Payroll Expense charges University-Paid benefits, such as PSBP Life/AD&D and Disability, directly to departmental Full Accounting Units and those benefits are not included on the individual's record as imputed income. Consequently, many locations may not correctly report these benefits as imputed income for the Nonresident Alien Postdoc.

5.0 Proposed Process

During the reporting process of each payroll computation cycle, the process should produce a listing of Nonresident Alien Postdoctoral Fellows or Paid Directs receiving University-Paid PSBP Life/AD&D and Disability premiums. Locations should verify the data on the listings and manually update the individual's Federal Taxable Gross field using Dollar Adjustment Pay Transactions and recovering the Federal Withholding Tax deductions.

6.0 Selection Criteria

Select individuals from the Payroll Audit Register (PAR) where the

- Benefits Eligibility Level Indicator (BELI) is “P”
- Citizenship Status Code is “N, A, E, F, X, or S”
- PAR Title Code is Postdoc-Fellow (3253) only
 - or Postdoc-Paid Direct (3254) only
 - or both Postdoc-Fellow and Postdoc-Paid Direct

7.0 Calculation of Estimated Tax

After the selection of individuals, this new reporting process should add together the values of the PSBP premiums (Parameter Numbers 189 and 190) for the Total Imputed Income. To calculate the estimated taxes, the Total Imputed Income sum then should be multiplied by the appropriate Federal Withholding Tax Percentage based upon the individual’s Visa Type Code. The table below indicates the withholding tax percentage for each Visa Type.

If the Citizenship Status Code is	And, the Visa Type Code is	Then, Federal Withholding Tax Percentage is
N, A, X, or S	J	14%
N, A, X, or S	F	14%
N, A, X, or S	All others	30%
N, A, X, or S	No Visa Type Code	30%
E or F	All	0%

8.0 Reports/Tab-Delimited File

Users should have the option to print a hard copy or to view a tab-delimited file. The file should contain the following data:

- Home Department Code/Name Translated (EDB 0114)
- Name (EDB 0105)
- Identification Number
- BELI Code (EDB 0360)
- Title Code (EDB
- Citizenship Status Code (EDB 0109)
- Visa Type (EDB 0110)
- University-Paid PSBP Life/AD&D premium (System Parameter #189)
- University-Paid PSBP Disability premium (System Parameter #190)
- Total Imputed Income
- Tax Rate
- Estimated Tax Payable

This report/file should be generated with each payroll cycle.

Standard Report Headings

Unrecorded Imputed Income - Postdoc Life/AD&D & Disability Premiums

Home Department Code/Name Translated

Name	ID. No.	BELI/ Title Code	Citizen/ Visa	Life/ADD	Disability	Imputed Income	Tax Rate	Est Tax
ABCDEFGHIJKLMNPNOPQRSTUVWXYZ	123456789	P/3253	N/J1	15.00	13.00	28.00	14%	3.92
QWERTYUIOPASDFGHJKLZXCVCBVM	9876543221	P/3254	N/	15.00	13.00	28.00	30%	8.40