

Modifications to Citizenship Status Code "A"

Service Request 16977

Office of the President
University of California
Payroll Coordination
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Attachments:

1. Onetime Report Sample
2. Data Dictionary Page

Purpose

The purpose of this document is to request that “JA” (Japan) be removed from the list of valid values for Citizenship Status Code value “A”.

Overview

Internal Revenue Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, For Withholding in prior years, stated the following:

- Nonresident aliens from Canada, Japan, Mexico, and South Korea (Citizenship Status Code (DE 0109) value “A”) may claim more than one withholding allowance and must request that additional Federal tax withholding of \$7.60 per week (\$33.10 per month) be withheld.

The new tax treaty between the United States and Japan, which was ratified on March 30, 2004, does not allow residents of Japan to claim Federal tax withholding allowances for their spouses or dependents. However, nonresident alien employees could choose to apply the old treaty in its entirety for 2005. This choice was available only for 2005. Therefore, beginning January 1, 2006 residents of Japan may no longer claim Federal withholding allowances for their spouses or dependents.

Current Process

Currently nonresident aliens from Japan have the Citizenship Status Code value “A” and the Country Code (DE 1118) value “JA” established on their EDB records. These employees may claim more than one Federal withholding allowance. Additionally, these individuals have the additional Federal tax withholding automatically established on their Employee Data Base (EDB) records.

Requested Changes

Effective January 1, 2006 nonresidents from Japan are no longer allowed to claim Federal withholding allowances for their spouse and dependents. Therefore, employees with a Citizenship Status Code value “A”, and a Country Code value “JA” should be changed to Citizenship Status Code value “N”. The Federal withholding allowance (EDB 0128) should be changed to “1” from its current value if it exceeds “1”. Please note there is no change to the Martial status (DE 0127) which is currently set at “S” for Citizenship Code value “N” and “A” or the additional Federal tax withholding (GTN 301) which is automatically established.

EDB Maintenance

Existing Edits

The following edit changes should be made:

- The edit associated with messages 08-459 and 12-238 should be modified so that “JA” is not a valid Country Code (EDB1118) for Citizenship Status Code (EDB0109) “A”.
- The edit associated with messages 08-499 and 12-499 should be modified so that “JA” is a valid Country Code (EDB1118) for Citizenship Status Code (EDB0129) “N”.

Table Changes

System Messages Table

The following 08 and 12 message texts should be modified to remove “JA”:

- 08-459 Country of Origin Must Be CA, MX, **JA**, KS for Cit Code A
- 08-499 Country Code CA, **JA**, KS, MX not valid W/Cit Code N
- 12-238 Country of Origin Must Be CA, MX, **JA**, KS for Cit Code A
- 12-499 Country Code CA, **JA**, KS, MX not valid W/Cit Code N

One-Time Program

Specifications for the One-Time Program

The one-time process to switch the EDB records of specific nonresident aliens should be based on the following criteria:

- Select employees with a Citizenship Status Code value “A” and a Country Code value “JA”. The Citizenship Status Code value should be changed to “N”. Please note that there is no change to the Country Code value.
- If the Federal tax withholding allowance exceeds “1” (one), the Federal withholding should be changed to “1”. Please note that if the current Federal withholding allowance is “0” (zero) it should remain “0”.

The one-time should produce an employee change file so that a record of changed records is provided.

Please note: Employee records should be selected for employees with the following Employment Status Codes (EDB 0144):

- A= Active
- N= Leave without pay
- P= Leave with pay
- S= Separated
- I= Inactive

Report to be produced by the One-Time Program

<u>Description</u>	<u>Data Element</u>
Employee Name	0105
Employee Number	
Home Department Name	(from the HD Table)
Home Department Number	0114
Citizenship Status Code	0109 (before and after values)
Federal Tax Withholding Allowance	0128 (before and after values)
U.S. Date of Entry	1169
Employment Status	0144
Employee Count	

The report should be sorted in alphabetical sequence by employee name within home department. There should be a page break between Home Departments. Attachment 1 contains a sample copy of this report. The report should also include the following footnote:

The new tax treaty between the United States and Japan, which was ratified on March 30, 2004, does not allow residents of Japan to claim Federal tax withholding allowances for their spouses or dependents. However, nonresident alien employees could choose to apply the old treaty in its entirety for 2005. This choice was available only for 2005. Therefore, beginning January 1, 2006 residents of Japan may no longer claim Federal withholding allowances for their spouses or dependents.

Online Screens

There are no required online screen changes.

History

There are no required changes to the History Data Base.

IDOC Employee Documents

There are no required changes to the Employee Documents.

Tax Reporting

There is no required tax reporting changes for these employees.

Online Help and Data Dictionary

- Online field level help for the Citizenship Status Code value “A” should be made available.
- Online field level help, based on the data dictionary entry, should be provided for Citizenship Status Code value “A” on each screen to which it is added.

The message text for Citizenship Status Code “A” should be defined as follows :

- Non-Resident Alien from Canada, Mexico, South Korea

Attachment 2 contains a copy of the Data Dictionary.

Forms

There are no required form changes.

Implementation Requirements

The EDB records of these individuals should be updated so that pay received January 1, 2006 and after will reflect the aforementioned changes.

Attachment 1

Standard University Heading
Removing JA (Japan) Country Code from
Citizenship Status Code A

Home Department Name
Home Department Number

Employee ID Number	Employee Name	Citizenship Status Code (before and after)	Date of Entry Country	Federal Tax Withholding Allowance (before and after)	EmpStat
000050000	SMITH, JANE	A/N	MM/DD/YY	3/1	A
000050001	Yoshi, Micha	A/N	MM/DD/YY	2/1	A
000000502	Seiko, Yuri	A/N	MM/DD/YY	0/0	S

Employee Count 3

Footnote:

The new tax treaty between the United States and Japan, which was ratified on March 30, 2004, does not allow residents of Japan to claim Federal tax withholding allowances for their spouses or dependents. However, nonresident alien employees could choose to apply the old treaty in its entirety for 2005. This choice was available only for 2005. Therefore, beginning January 1, 2006 residents of Japan may no longer claim Federal withholding allowances for their spouses or dependents.

Attachment 2 **Delete Japan from Citizen Code status "A"**.

System Number: EDB0109

User Access Name: 0109-2

Programming Name: CITIZEN_CODE IN PPPAY

Revision Date: 10/12/99

Comments

Sources(s): PPP120

Location(s): BAS 1013 - Citizenship Status Code-HDB in HDB
APS 0156 - Citizenship Status Code-Employee
CPS 0156 - Citizenship Status Code-Employee
IPS 0156 - Citizenship Status Code-Employee
OPP 0156 - Citizenship Status Code-Employee

Name: CITIZENSHIP STATUS CODE-EDB

Type: ALPHANUMERIC

Length: 1

Format

N/A

General Description

Code indicating an individual's citizenship status with respect to the United States.

Code Interpretation

- C - U.S. Citizen
- R - Resident Alien
- N - Non-Resident Alien, wages subject to withholding tax;
income reported on form W-2
- E - Non-Resident Alien, wages not subject to Federal income tax
withholding and FICA withholding; income reported on Form 1042-S
- A - Non-Resident Alien from Canada, ~~Japan~~, Mexico or South Korea
- X - Non-Resident Alien living and working outside the United States;
wages not subject to federal and state withholding taxes
- F - Resident Alien for Federal income tax purposes, wages subject to
FICA withholding but not subject to Federal income tax withholding;
income reported on Form 1042-S
- P - Pending Permanent Resident, wages subject to withholding tax; income
Reported on Form W-2
- S - Non-Resident Alien Student employee from India; income reported on
Form W-2