

Form 1042-S: Explanation of Amounts Reported

Dickinson College will distribute Form 1042-S to non-resident alien employees and students annually, no later than March 15th per IRS regulations.

The following types of income received from Dickinson College during a calendar year are reported on Internal Revenue Service (IRS) Form 1042-S (Foreign Person's U.S. Source Income Subject to Withholding):

- Fellowship stipends, whether subject to or exempted from Federal Income Tax (FIT) withholding;
- The portion of assistantship payments received in excess of Tuition.
- Please note that payments and earnings due to employment are reported on IRS Forms W-2, distributed annually by January 31st of each year.

Following is a brief explanation of the amounts that are reported on the Form 1042-S:

Fellowship Stipends

a) Amounts Subject to Federal Income Tax (FIT) Withholding:

Box 1 – Income code: 15 – Scholarship or fellowship grants;

Box 2 – Gross income: The total dollar amount of all fellowship stipends paid by Dickinson College that were subject to federal income tax, rounded to the nearest dollar per IRS requirements;

Box 3 – Withholding Allowances: Blank;

Box 4 – Net income: Blank;

Box 5 – Tax rate: 14.00% unless the nonresident alien has no valid ITIN or SSN. In that case the tax rate is 30.00%;

Box 6 – Exemption code: 00 – Indicates that these fellowship stipends were not exempt from tax withholding;

Box 7 – U.S. Federal tax withheld: The total dollar amount of federal income tax that was withheld from fellowship stipends, rounded to the nearest dollar per IRS requirements. This amount is equal to 14% of Box 2.

b) Amounts Exempt from Federal Income Tax (FIT) Withholding:

If there is a tax treaty in effect between the United States and the student's or fellow's home country of residence, the treaty may allow some or all of the fellowship stipends to be exempted from FIT withholding once IRS Form W8-BEN is completed. If a Form W8-Ben has been submitted, any fellowship income received that was exempted from FIT withholding will appear as follows on the Form 1042-S:

Box 1 – Income code: 15 – Scholarship or fellowship grants;

Box 2 – Gross income: The total dollar amount of all fellowship stipends paid by Dickinson College that was exempted from federal income tax withholding, rounded to the nearest dollar per IRS requirements;

Box 4 – Net income: Blank;

Box 5 – Tax rate: 0.00%;

Box 6 – Exemption code: 04 – Indicates that these fellowship stipends were exempt from federal income tax withholding under a treaty claimed by the individual;

Box 7 – U.S. Federal tax withheld: This amount is equal to \$0, indicating that no federal income tax was withheld.

Explanation of Other Boxes on the Form 1042-S

Following is an explanation of other boxes on Form 1042-S that may contain information:

Box 12 – Recipient code: 01 – Indicates the employee, fellow or student is an individual.

Box 14 – Recipient's U.S. TIN: This box contains the employee, fellow or student U.S. Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) that has been provided to the Payroll Office. If no SSN or ITIN has been provided, then this box will be blank. Note that non-citizen individuals who do not have a U.S. SSN or ITIN are subject to having their individual tax returns rejected by the IRS. **Non-citizen individuals are strongly urged to apply for a U.S. SSN or ITIN and to report the number to the Payroll Office immediately upon receipt to avoid any tax complications or assessments.**

Boxes 15 & 16 – Recipient's country of residence for tax purposes and Country code: Indicates the country of residence for tax purposes, and associated IRS country code, of the non-citizen employee, fellow or student as it has been communicated to the Payroll Office.

Boxes 22, 23 & 24 – State tax information: These boxes will all be blank as any applicable State tax information will have been reported on the Form W-2.

Tax Information available via the Web:

Information about filing individual Federal and State tax returns, along with downloadable tax forms, instructions and publications, can be accessed via the Web at the following sites:

- Federal Information and Forms (IRS): <http://www.irs.gov>
- State Information and Forms (PA): <http://www.revenue.state.pa.us>