Modifications to Citizenship Status Code “A”
Requirements Definition

Service Request 14828

Office of the President
University of California
Payroll Coordination
July 29, 1999
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Modifications to Citizenship Status Code Value “A”

I. Purpose

The purpose of this document is to request modifications to the current process that adds additional Federal income withholding tax to the Employee Data Base (EDB) records of certain nonresident aliens.

This Federal tax requirement does not affect the California State withholding requirements. California does not distinguish between U.S. citizens, U.S. residents, and nonresident aliens with respect to personal income tax withholding.

II. Overview

Internal Revenue Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations, For Withholding in 1999, states the following:

- Nonresident aliens from Canada, Japan, Mexico, and South Korea (Citizenship Status Code (DE 0109) “A”) may claim more than one withholding allowance and must request that additional Federal tax withholding of $4.00 per week ($17.33 per month) be withheld.

- Students and business apprentices from India who are eligible for the benefits of Article 21 (2) of the U.S. - India Income Tax Treaty are eligible for the same Federal exemptions as U.S. residents\(^1\). However, the Indian students and apprentices can only claim additional withholding allowances for dependents not admitted to the U.S. on F-2, J-2, or M-2 visas. Additionally, they do not have to request the additional nonresident alien Federal tax ($17.33 per month).

III. Current Process

The Payroll/Personnel System (PPS) currently adds the additional $17.33 per month of Federal income taxes only to the records of nonresident aliens with a Citizenship Status Code value "N".

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\(^1\) Employees from India with a UC Student Status Code value of “1” (Not registered), “2” (Not registered, graduate degree candidate), and “5” (Not registered, graduate degree candidate at another UC campus) are not eligible for this special Federal tax exemption.
IV. Requested Changes

In order to comply with the IRS Publication 515, the following changes are requested:

Citizenship Code A

The deduction of the additional nonresident alien Federal taxes should be established on the EDB records of nonresident aliens with a Citizenship Status Code value "A" in the same manner as employees with a Citizenship Status Code value "N". Nonresident aliens with a Citizenship Status Code (DE 0109) value "A" are identified on the EDB with a Country of Residency Code (DE 0143) value of “CA” (Canada), “MX” (Mexico), “JA” (Japan) or “KS” (South Korea).

The rate of taxes to be withheld is as follows:

- $ 8.00 - Bi-weekly
- $17.33 - Monthly
- $ 8.67 - Semi-Monthly

Students from India

The Country code of “IN” (India) should be added as an acceptable value associated with Citizenship Status Code value “A” only for student employees from India. The Indian student employees must have a UC Student Status Code (DE 0119) value “3”, “4”, “6”, or “7”. If this is not the case, the transaction should be rejected.

V. Nonresident Alien Edits

The following edits should be established in connection with these requirements:

- In both batch and on-line processing, if the Citizenship Status Code value is “A”, and Country of Residency Code value is equal to “IN”, the UC Student Status Code (EDB0119) must be “3”, “4”, “6”, or “7”. If this is not the case, the transaction should be rejected.

In both batch and on-line, an Employee Reject error message should be issued in USER08 and USER12. The message text should be:

---

2 Calculation based upon $4.00 per week times 52 weeks divided by 26 checks.
3 Calculation based upon $4.00 per week times 52 weeks divided by 12 checks.
4 Calculation based upon $4.00 per week times 52 weeks divided by 24 checks.
STD STAT CODE 1, 2, OR 5 CANNOT BE CITZN CODE A

In batch, USER08 turnaround transactions should be presented for entering values for EDB0109, EDB0143, or EDB0119. If not corrected, the transaction should be rejected in USER 12.

- In both batch and on-line processing, if the Citizenship Status Code value is “A”, the Country of Residency Code value is equal to “IN”, and the UC Student Status Code (EDB0119) is “1”, “2”, or “5”, the transaction should be rejected.

In both batch and on-line, an Employee Reject error message should be issued in USER08 and USER12. The message text should be:

STD STAT CODE 1, 2, OR 5 CANNOT BE CITZN CODE A

In batch, USER08 turnaround transactions should be presented for entering values for EDB0109, EDB0143, or EDB0119. If not corrected, the transaction should be rejected in USER 12.

VI. Table Changes

System Message Table

The following system messages should be modified to include student employees from India:

- Currently, in both batch and on-line processing, when the Citizenship Status Code is changed from "C", "A", "R", "E", or "X", to "N" the additional nonresident alien Federal tax is established and the following messages are issued:

<table>
<thead>
<tr>
<th>Message Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>08-222</td>
<td>ADDITIONAL NONRESIDENT ALIEN TAX WILL BE ESTABLISHED</td>
</tr>
<tr>
<td>12-200</td>
<td>ADDITIONAL NONRESIDENT ALIEN TAX HAS BEEN SET</td>
</tr>
</tbody>
</table>

This edit should be modified so that when the Citizenship Status Code is changed from "C", "R", "E", "F", or "X" to "N" or "A" the additional nonresident alien tax is established (except for Indian students with Citizenship Status Code A) and the above mentioned system messages are issued (the message should not be issued for Indian students).
Currently in batch and online processing, when the Citizenship Status Code is changed from "N" to "C", "A", "R", "E", or "X", the additional nonresident alien Federal tax GTN number 301 is initialized to blank and the following system messages are issued:

<table>
<thead>
<tr>
<th>Message Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>08-219</td>
<td>ADDITIONAL NONRESIDENT ALIEN TAX NOT REQUIRED WILL BE SET TO BLANK</td>
</tr>
<tr>
<td>12-199</td>
<td>ADDITIONAL NONRES TAX NOT REQUIRED HAS BEEN SET TO BLANK</td>
</tr>
</tbody>
</table>

This edit should be modified so that when the Citizenship Status Code is changed from "N" or "A" to "C", "R", "E", "F" or "X" the additional nonresident alien tax is initialized to blank and the above mentioned system messages are issued.

VII. One-Time Program

A one-time program should be written for use by the campuses. The program should produce the reports that are described in section VIII.

A. Specifications for the first process

A one-time process to automatically establish the additional Federal tax withholding on the EDB records of specific nonresident aliens should be developed based on the following criteria:

- The additional Federal withholding tax of $17.33 a month should be established on the EDB records of nonresident aliens with a Citizenship Status Code "A" and a Country of Residency Code value "CA", "MX", "JA", or "KS".

- Additionally, if an above-mentioned nonresident alien employee has an additional Federal tax withholding (GTN 010) amount on his EDB records, it should be displayed on a report.

B. Specification for the second process

Employees with the following attributes should have their Citizenship Status Code value set to "A" and the additional Federal withholding tax of $17.33 a month should not be established on their EDB records:

- Citizenship Status Code value of "N",

- Country of Residency Code (DE 0143) equal to "IN", and
• Student Status Code equal to “3”, “4”, “6”, or “7”

• If these employees have additional Federal tax withholding (GTN 010) amount on their EDB records it should be displayed on a report.

C. Specifications for the third process

Employees with the following attributes should be displayed on a report:

• Citizenship Status Code value “R”,

• Visa Code (DE 0110) is not equal to PR,

• Country of Residency Code equal to “IN”, and

• Student Status Code equal to “3”, “4”, “6”, or “7”

Please note: These employee records should be selected irrespective of the Employment Status Code (EDB 0144), (DE 0144), i.e., irrespective of whether the employee is coded as active, on leave with pay, on leave without pay, separated, or inactive.

VIII. Reports to be produced by the One-Time Program

Specifications for report A

This report should display employee records of nonresident aliens who have had the additional nonresident Federal tax established. (Attachment 1 contains a sample copy of the report). The report should display the following information:

<table>
<thead>
<tr>
<th>Description</th>
<th>Data Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee I.D. Number</td>
<td>EDB 0105</td>
</tr>
<tr>
<td>Employee Name</td>
<td>EDB 0115</td>
</tr>
<tr>
<td>Home Department Number</td>
<td>EDB 0114</td>
</tr>
<tr>
<td>Home Department Name</td>
<td>from the HD Table</td>
</tr>
<tr>
<td>UC Student Status Code</td>
<td>EDB 0119</td>
</tr>
<tr>
<td>Country of Residency</td>
<td>EDB 0143</td>
</tr>
<tr>
<td>Nonresident Alien Federal Tax</td>
<td>GTN 301</td>
</tr>
<tr>
<td>Additional Federal Tax</td>
<td>GTN 010</td>
</tr>
<tr>
<td>Visa Code</td>
<td>EDB 0110</td>
</tr>
<tr>
<td>Date of Entry</td>
<td>EDB 1169</td>
</tr>
<tr>
<td>Employment Status</td>
<td>EDB 0114</td>
</tr>
<tr>
<td>Employee Count</td>
<td></td>
</tr>
</tbody>
</table>

The report should be sorted in Employee ID number sequence, or at campus option, in alphabetical sequence by employee name or in alphabetical sequence
by employee name within home department. An employee record count should be provided within each sort option.

**Specification for report B**

This report should display student employees from India whose EDB records have been changed to Citizenship Status Code value “A”. (Attachment 2 contains a sample copy of the report). The one-time program should produce a one-time report displaying the following information:

<table>
<thead>
<tr>
<th>Description</th>
<th>Data Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee I.D. Number</td>
<td>EDB 0105</td>
</tr>
<tr>
<td>Employee Name</td>
<td>EDB 0114</td>
</tr>
<tr>
<td>Home Department Number</td>
<td>from the HD Table</td>
</tr>
<tr>
<td>UC Student Status Code</td>
<td>EDB 0119</td>
</tr>
<tr>
<td>Additional Federal Tax</td>
<td>GTN 010</td>
</tr>
<tr>
<td>Visa Code</td>
<td>EDB 0110</td>
</tr>
<tr>
<td>Date of Entry</td>
<td>EDB 1169</td>
</tr>
<tr>
<td>Employment Status</td>
<td>EDB 0114</td>
</tr>
<tr>
<td>Employee Count</td>
<td></td>
</tr>
</tbody>
</table>

The report should be sorted in Employee ID number sequence, or at campus option, in alphabetical sequence by employee name or in alphabetical sequence by employee name within home department. An employee record count should be provided within each sort option.

**Specification for report C**

This report should display employee records with a citizen status code value of “R”, Country of Residency Code value of “IN”, and the Visa Code not equal to “PR”. (Attachment 3 contains a sample copy of the report). This report should display the following information:

<table>
<thead>
<tr>
<th>Description</th>
<th>Data Element</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee I.D. Number</td>
<td>EDB 0105</td>
</tr>
<tr>
<td>Employee Name</td>
<td>EDB 0114</td>
</tr>
<tr>
<td>Home Department Number</td>
<td>from the HD Table</td>
</tr>
<tr>
<td>UC Student Status Code</td>
<td>EDB 0119</td>
</tr>
<tr>
<td>Visa Code</td>
<td>EDB 0110</td>
</tr>
<tr>
<td>Date of Entry</td>
<td>EDB 1169</td>
</tr>
<tr>
<td>Employment Status</td>
<td>EDB 0114</td>
</tr>
<tr>
<td>Employee Count</td>
<td></td>
</tr>
</tbody>
</table>
The report should be sorted in Employee ID number sequence, or at campus option, in alphabetical sequence by employee name or in alphabetical sequence by employee name within home department. An employee record count should be provided within each sort option.

IX. On-line Screens

There are no changes to the on-line inquiry or update screens.

X. On-line Help

The specified revision to the Data Dictionary entry for Citizenship Status Code EDB 0109 will make the new description available in on-line field level help. The suggested message text should be as follows:

The Citizenship Code “A” should be defined as follows:

- Non-Resident Alien from Canada, Japan, Mexico, South Korea, or Student Employee from India.

Attachment 4 contains a copy of the Data Dictionary displaying the change.

XI. Forms

There are no required form changes.
XII. Tax Reporting

There are no changes to the W-2 process.

XIII. History

There are no changes to History.

XIV. Employee Documents

There are no changes to the IDOCs.
<table>
<thead>
<tr>
<th>EMP I.D.</th>
<th>EMP NAME</th>
<th>HD #</th>
<th>UC STUDENT</th>
<th>COUNTRY OF GTN</th>
<th>GTN 301</th>
<th>GTN 010</th>
<th>VISA CODE</th>
<th>DATE OF ENTRY</th>
<th>EMP STAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>000050021</td>
<td>SMITH, JANE</td>
<td>665660</td>
<td>1</td>
<td>CA</td>
<td>17.33</td>
<td>15.00</td>
<td>J1</td>
<td>010598</td>
<td>ACT</td>
</tr>
<tr>
<td>000050065</td>
<td>CRUZ, MANUEL</td>
<td>665660</td>
<td>1</td>
<td>MX</td>
<td>17.33</td>
<td></td>
<td>J1</td>
<td>121597</td>
<td>ACT</td>
</tr>
<tr>
<td>000050085</td>
<td>DOUCET, MICHAEL</td>
<td>661500</td>
<td>2</td>
<td>CA</td>
<td>17.33</td>
<td>17.33</td>
<td>H1</td>
<td></td>
<td>ACT</td>
</tr>
<tr>
<td>000060001</td>
<td>SEIKO, W</td>
<td>661550</td>
<td>5</td>
<td>JA</td>
<td>17.33</td>
<td></td>
<td>F1</td>
<td></td>
<td>SEP</td>
</tr>
<tr>
<td>EMP I.D.</td>
<td>EMP NAME</td>
<td>HD#</td>
<td>UC STUDENT STATUS</td>
<td>ADD'L FED TAX (GTN 010)</td>
<td>VISA CODE</td>
<td>DATE OF ENTRY</td>
<td>EMP STAT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------</td>
<td>------------</td>
<td>--------</td>
<td>--------------------</td>
<td>-------------------------</td>
<td>-----------</td>
<td>--------------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>333300351</td>
<td>GUPTA,M</td>
<td>666500</td>
<td>3</td>
<td>17.33</td>
<td>F1</td>
<td>010198</td>
<td>ACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>414112121</td>
<td>PARK, SING</td>
<td>666500</td>
<td>6</td>
<td></td>
<td>J1</td>
<td>110197</td>
<td>ACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>485454545</td>
<td>SHARMA,JANE</td>
<td>545760</td>
<td>4</td>
<td></td>
<td>F1</td>
<td></td>
<td>ACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>785457544</td>
<td>SINGAL,S</td>
<td>662252</td>
<td>7</td>
<td></td>
<td>J1</td>
<td>070198</td>
<td>SEP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Footnote:
UC Student Status Code
3= Undergraduate Student, 4= Graduate Student, 6= Undergraduate Student at another UC Campus
7= Graduate Student at another UC Campus

Employee Count 4
<table>
<thead>
<tr>
<th>EMP I.D.</th>
<th>EMP NAME</th>
<th>HD#</th>
<th>UC STUDENT STATUS</th>
<th>VISA CODE</th>
<th>DATE OF ENTRY</th>
<th>ADD'L FED TAX (GTN 010)</th>
<th>EMP STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>00005031</td>
<td>SINGAL, PARK</td>
<td>665560 MATH</td>
<td>3</td>
<td>J1</td>
<td>060197</td>
<td>ACT</td>
<td></td>
</tr>
<tr>
<td>88880058</td>
<td>BASTRA, S</td>
<td>665560 MATH</td>
<td>3</td>
<td>F1</td>
<td></td>
<td>ACT</td>
<td></td>
</tr>
<tr>
<td>88887654</td>
<td>GOPAL, SUD</td>
<td>661550 ENGLISH</td>
<td>6</td>
<td>H1</td>
<td>010195</td>
<td>20.00 SEP</td>
<td></td>
</tr>
<tr>
<td>88989876</td>
<td>GANGHI, M</td>
<td>656565 ELEC ENGR</td>
<td>3</td>
<td>F1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Footnote:
UC Student Status Code
3= Undergraduate Student, 4= Graduate Student, 6= Undergraduate Student at another UC Campus
7= Graduate Student at another UC Campus

Employee Count 4
System Number: EDB0109

User Access Name: 0109-2

Programming Name: CITIZEN_CODE IN PPPAY

Revision Date:

Edit Requirement:

Comments
Source(s): PPP120,

Use(s): Calculation, Reporting

Locations(s):
BAS 1013 – Citizenship Status Code – Bas 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, South Korea, or student employees from India
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