

**WOODS HOLE OCEANOGRAPHIC INSTITUTION
PAYROLL OFFICE MEMORANDUM**

To: Postdoctoral Scholars/Fellows
MPC Fellows
Summer Student Fellows
JP Student Fellows (excluding GRA's)

Sea Grant Fellows
Minority Fellows
GFD Participants
Guest Students

From: Dena Richard, Payroll Manager
Date: April 21, 2015
Re: Fellowship Payments

To determine the amount included in taxable income you will need the total of all scholarship/fellowship payments, domestic partner imputed income*, housing, travel allowance and/or other assistance provided by WHOI.

U.S. Citizens/Resident Aliens:

- WHOI does not withhold taxes from scholarship/fellowship payments (including stipend, travel, and/or housing), and **you may be required to pay federal and state estimated taxes**. These taxes must be paid quarterly on a set schedule.
- **You will *not* receive a W-2 or 1099 form at year end. Make sure to retain your last paycheck stub** (available via Employee Online on the HR website) for year-to-date information. *Access to this site is not available after checkout.
- **Federal taxes:** follow IRS Publication 970 – Tax Benefits for Education; Publication 505 is also useful to assist in determining Estimated Tax. These documents can be found at <http://www.irs.gov>.
- **State taxes:** refer to Form 1-ES found at: www.mass.gov/dor.

Foreign Nationals (Non-resident Aliens):

- **Federal tax** is withheld at 14% for F-1 and J-1 visa holders and 30% for all others unless a treaty applies. You will receive a form 1042S in late January/early February with information about filing annual taxes.
- **State tax** is *not* withheld; however **it is necessary to determine if you are responsible for state income tax and need to make estimated tax payments**. These taxes must be paid quarterly on a set schedule. Refer to Form 1-ES found at: www.mass.gov/dor.
- **If you travel in/out of the US, make sure to inform Payroll** (drichard@whoi.edu). This will affect your allowable days of presence on form 8843 (provided at year end with form 1042-S) and cannot be changed once processed.

Note: All estimated taxes must be paid on time or penalties may apply (pub 505).

Please sign this memo to acknowledge your responsibility in paying estimated taxes.

SIGNATURE: _____ DATE: _____

PRINT: _____

*If you're eligible for WHOI Medical and/or Dental benefits and choose to cover a Domestic Partner, you will receive a statement from the WHOI Benefits team in January with this amount.