Federal Income Withholding Tax

Responsible Officer: Vice President for Business Affairs and Controller
Sponsoring Department: Payroll Services
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Errors or changes to: aim@uta.edu

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PROCEDURE OBJECTIVE

This procedure provides information about the Federal Income Withholding Tax and FICA (Federal Insurance Contributions Act) and FICA's associated deductions and exemptions. This procedure details the calculation of the Federal Income Withholding Tax, the process of claiming exemptions, changing withholding status and nonresident alien requirements.

SCOPE

This procedure applies to all UT Arlington employees.

RESPONSIBILITIES

UT Arlington Employees

- Use either UT Share Employee Self Service or a Form W-4 to change their withholding status
- Be aware of payroll deadlines for changes to be effective on desired pay date.
- Update their withholding status each year on UT Share Employee Self Service or submit a new Form W-4 if qualified to claim exempt from Federal Income Withholding Tax.
- Complete the GLACIER online tax program if an international employee.

**PROCEDURES**

**Section I. Changing Withholding Status**

An employee may change their withholding status using one of the following two methods:

A. Online through UT Share Employee Self Service. No form is needed.

B. Complete Form W-4, sign and submit it to Payroll Services.

**Section II. Claiming Exempt**

Any employee who qualifies to claim exempt from Federal Income Withholding Tax must update their withholding status each year on UT Share Employee Self Service or complete and submit a new Form W-4 to Payroll Services. Payroll Services cannot make refunds for withholding tax deducted before the employee updates the exempt status. Please see Form W-4 for qualifications and restrictions to claim exempt.

**Section III. Nonresident Aliens**

The Internal Revenue Service requires nonresident alien employees to claim "single" with "one" allowance even if the employee is married. Some exceptions do apply. All international employees are required to complete the GLACIER online tax program to determine their tax status and withholding rate. For more information, please see Payments to Nonresident Alien Employees (Procedure 1-21).

**Section IV. Calculating Federal Income Withholding Tax**

Federal income tax withholding is based on taxable gross. The taxable gross can be found on the employee's earnings statement. Earnings statements are available online through UT Share Employee Self Service. Changes to an employee's withholding must be made prior to the payroll processing date to be effective for the next pay date. Please see the Payroll Processing Dates.
Section V. FICA (Federal Insurance Contributions Act) Deductions and Exemptions

A. FICA is comprised of two parts: Social Security (also known as OASI-Old Age, Survivors Insurance) and Medicare. The rate and maximum subject salary base are subject to change each calendar year. The current rate and base can be found on the Social Security Website.

1. All United States citizens, legal residents, and nonresident aliens classified as resident aliens for tax purposes are required to participate in the FICA system regardless of the employee's age or if the employee is already receiving social security benefits.

2. Nonresident aliens may be exempt from FICA participation. Refer to Payments to Nonresident Alien Employees (Procedure 1-21).

3. Students who are enrolled at least one-half time in each semester and are employed in non-retirement benefit eligible positions may be exempt from FICA participation. Please see Student FICA Exemption for more information.

FORMS AND TOOLS/ONLINE PROCESSES

Form W-4
Payroll Processing Dates
Student FICA Exemption
Social Security

DEFINITIONS

Nonresident Alien: A person who is not a U.S. citizen or a U.S. legal permanent resident.

W-4 Form: A tax form used by the United States Internal Revenue Service. The form is used by employers to determine the correct amount of tax withholding to deduct from employees' wages.

RATIONALE

The University is required by law to deduct Federal Income Withholding Tax from each employee's paycheck based on the status claimed on the employee's Form W-4 (Employee's Withholding Allowance Certificate) and the taxable gross for the payroll period in question. It is important for an employee to be aware of their withholding status and the process to change their withholding status. University employees are required to participate in FICA unless they meet specific conditions which allow an employee to be exempt from FICA participation.
RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

<table>
<thead>
<tr>
<th>UT System Administration Policies and Standards</th>
<th>Other Policies and Standards</th>
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<tbody>
<tr>
<td>Payments to Nonresident Alien Employees (Procedure 1-21)</td>
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<td>Benefit Replacement Pay (BRP) (Procedure 3-56)</td>
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APPENDICES

N/A

CONTACTS

If you have any questions about Procedure 1-9, Federal Income Withholding Tax and FICA (Federal Insurance Contributions Act) Deductions and Exemptions, please contact the following departments:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Office Name</th>
<th>Telephone Number</th>
<th>Email/URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>All topics in Procedure</td>
<td>Payroll Services</td>
<td>(817) 272-5426</td>
<td><a href="mailto:payroll@uta.edu">payroll@uta.edu</a> <a href="http://www.uta.edu/business-affairs/staff/accounting/payroll-services.php">http://www.uta.edu/business-affairs/staff/accounting/payroll-services.php</a></td>
</tr>
<tr>
<td>Website access</td>
<td>Administrative Information Management</td>
<td>(817) 272-0222</td>
<td><a href="mailto:aim@uta.edu">aim@uta.edu</a> <a href="http://www.uta.edu/aim">http://www.uta.edu/aim</a></td>
</tr>
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WEB SITE ADDRESS FOR THIS PROCEDURE

http://www.uta.edu/policy/procedure/1-9