



People First!

System Enhancement: W-4/W-5 Screen Change for Non-Resident Aliens

August 21, 2006

ID Number: SE 7

Suggested Audience:

Agency Personnel Officers

Overview: As addressed in BOSP memorandum DFSBP 05-08, the Internal Revenue Service (IRS) has implemented new W-4 requirements for Non-Resident Alien (NRA) employees. For complete information on these changes for NRA employees, please review the above reference BOSP memorandum. For convenience, this memorandum can be found at the following website:

<http://www.fldfs.com/aadir/bosp/DFSBP%2005-08.pdf>

The People First enhancements to meet these new IRS requirements will go into production the night of August 30, 2006, and will be available for use on August 31, 2006. The ONLY changes are the

- inclusion of an NRA checkbox field, entitled “Are you a Nonresident Alien.” As this field is a checkbox, the default is blank. The check box should ONLY be marked by or for actual NRA employees. Once an employee selects that he or she is an NRA employee, then the use of certain data elements will be restricted (e.g. W-5 fields), as these fields do not apply to Non-Resident Aliens.
- implementation of edits for employees who check this box, and the
- inclusion of an additional information message advising employees where to go for more information regarding their responsibility as an NRA employee in the U.S.

What does this enhancement mean for my agency?

- If your agency does not have any NRA employees, then this change does not directly impact you or your employees. However, you should be fully aware that this is a field on the W-4/W-5 screen that will be available to all employees. In addition, the new information message will be presented each time an employee is in “Edit” mode within this screen.
- If your agency has NRA employees, then you should advise your employees about the new IRS requirements and point them to this new checkbox within the W-4 screen. These employees should update their W-4 after the check is implemented to ensure that they are in compliance with the IRS regulations for NRA employees.
- When the change is implemented, the employee’s current W-4 record will NOT be automatically updated. As stated above, **employees who are NRA**

employees must access this screen and check this box to reflect their status.

- Employees who are NOT NRA employees will NOT be required to make any changes to their W-4/W-5 record based on the implementation of this enhancement.

For convenience, screenshots of the W-4/W-5 screen with these new changes implemented (remember they will NOT be available in production until August 31, 2006) are provided below:

This screen shot shows what the screen looks like when in “Display” mode.

The screenshot shows the W4/W5 form in 'Display' mode. The header is 'W4/W5'. Below it, there are input fields for Employee ID #: 00001000, BURSELL AMOLE, Title: 55000761 - MANAGER, P E TR PROG & SPECIAL PROJECTS, and Agency: DOT - Transportation. The main section is titled 'W4/W5->Overview' and 'W4/W5->Details'. It contains several fields: Effective date (07/01/2004), Social Security Number (876544210), W4 Filing Status (Single), Number of Allowances (00), Additional Tax Amount (0.00), and checkboxes for 'Are you a Nonresident Alien?' and 'IRS Directed'. There are also 'W5 Information' fields for W5 Filing Status, Qualifying Child, and Spouse filing W5.

This screen shot shows what the screen looks like when in “Display” mode.

The screenshot shows the W4/W5 form in 'Display' mode, similar to the previous one but with a message at the top: 'For more information regarding **W-4, W-5**, Nonresident Aliens, related tax publications, forms, and instructions, please access Forms and Publications at irs.gov. Employees are responsible for ensuring that they complete the appropriate tax documents in accord with IRS rules and regulations.' The effective date is now 08/14/2006. The 'Are you a Nonresident Alien?' checkbox is highlighted with a red box. The rest of the form fields and layout are identical to the previous screenshot.

If you have any questions related to this change please contact your agency's DMS change management lead.