

Honorarium Payments to International Visitors

An honorarium is defined as a payment of money or other thing of value to a person for her/his participation in a usual academic activity for which no fee is required. **An honorarium is not a salary or any other compensation for services rendered on a continuing basis.**

“Usual academic activity” includes lecturing, teaching, and sharing knowledge.

To qualify as an honorarium, the activity cannot last longer than 9 days at any single institution and the visitor cannot accept other honorariums or expenses from more than 5 institutions in the previous 6-month period.

B-1 and VWB (Visa Waiver Business) visitors, who satisfy the B honorarium rules, may be paid an honorarium and reimbursed for incidental expenses. A visitor who is coming to the US for pre-arranged honorarium activity should enter the country as a nonimmigrant visitor for business (B-1 visa or VWB).

Under no circumstances can an honorarium be paid to visitors on F-1, H-1B, TN, & O visas sponsored by other institutions.

Honorarium paid to a nonresident alien is subject to 30% federal tax withholding. If the payment exceeds \$1,500 an additional 4% in state tax is withheld.

Tax liability options:

1. **Gross up.** The department has the option to pay the taxes on behalf of the visitor by “grossing up” the payment. To gross up the payment, divide the desired amount by 0.7. If the payment amount exceeds \$1,500 then divide the amount by 0.66.

If the visitor does not receive more than the personal exemption of \$3,950 during 2014, they can file a US tax return and receive a full refund of the taxes paid on their behalf.

The visitor is not required to file a US tax return if they do not exceed the personal exemption. S/He will only need to file if s/he wishes to receive a refund of the taxes.

2. **Tax treaty.** A US social security number is required to claim tax treaty benefit, if the visitor’s home country has a tax treaty with the US. If the visitor does not already have an SSN, s/he will not be able to apply for one while at NC State for honorarium purposes.

Under the Social Security Administration regulations governing social security numbers (SSNs), only individuals authorized to work in the United States under the immigration laws are authorized to obtain an SSN. Individuals in B status are not authorized to work and, therefore, cannot obtain a SSN.

***It is a rare situation for B visitors receiving honorarium to have an SSN. The visitors who do have SSNs are generally people who were previously employed in the US under a sponsored visa.*

3. **Taxes withheld.** If the department chooses not to gross up the payment and the visitor is not eligible for tax treaty benefit, the taxes will be withheld. If the visitor does not receive more than the personal

exemption of \$3,950 during 2014, they can file a US tax return and receive a full refund of the taxes withheld.

The visitor is not required to file a US tax return if they do not exceed the personal exemption. S/He will only need to file if s/he wishes to receive a refund of the taxes.

Honorarium payments are entered into the Financial System by the International Employment and Tax (IET) Office. Specific documentation is required for IRS audit purposes before entering this payment. The documentation will vary for different visa types and countries, so to ensure a smooth process, please notify IET **before** the visitor arrives in the US.

When contacting IET, please have the following information:

- Visitor's full name
- Permanent address in home country
- Visa type (B1 or VWB)
- Exact dates of activity at NC State
- Does the visitor have an SSN?
- Amount of honorarium
- US immigration history for past 3 years