

New Regulations for Booking Teachers for Chapter Meetings and Seminars for 2010

The IRS has recently started to more strictly enforce some tax regulations. The following procedures need to be put into place by all U.S. chapters for 2010. Links to the forms are in the Chapter's Section of the SDP website www.decorativepainters.org. The IRS also has information, forms and publications at www.irs.gov.

Understanding which set of forms need to be filled out is determined by where the teacher lives.

1. To pay teachers who reside within the United States:
 - a. **Teacher must fill out IRS Form W-9 -- Request For Taxpayer Identification Number and Certification** (<http://www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3>) when they sign their contract. Chapter must request, receive and review for completeness and accuracy the W-9 form before any payment is made. **You cannot pay the teacher if they have not filled out the W-9 Form.**
 - b. **If a teacher is paid \$600 or over by the chapter in a calendar year, the Chapter fills out IRS Form 1099-Misc and sends copy B to the teacher.** (To order official IRS forms, call 1-800-829-3676.) When determining if a teacher has made \$600 or more, project fees are not included. They are considered reimbursement of expense.
 - c. **The Chapter must also send the IRS copy A of all 1099-Misc Forms along with IRS Form 1096 -- Annual Summary and Transmittal of U.S. Information Returns.** (To order official IRS forms, call 1-800-829-3676.)
2. To pay international teachers (teachers who reside outside of the United States and come to the United States to teach):
 - a. **International teacher must fill out an appropriate IRS Form W-8 when they sign their contract.** This is a Certificate of Foreign Status. (<http://www.irs.gov/pub/irs-pdf/fw8ben.pdf>)
 - b. **Chapter must request, receive and review for completeness and accuracy the W-8 form before any payment is made. You cannot pay the teacher if they have not filled out the W-8 Form.**
 - c. **Most international teachers will need an IRS Form W-8BEN.** This is a Certificate of Foreign Status of Beneficial Owner for United States Withholding. Request form W-8BEN from any international person or organization to which you are making a payment.
 - d. **Some international teachers may file an IRS 8233 Form with the Chapter.** This is Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Individual. <http://www.irs.gov/app/vita/globalmedia/8233.pdf>
 - e. Chapter will withhold 30% of teacher's fee (not project fee) from international teacher's checks unless a Form 8233 is filled out.
 - f. **If the teacher (non resident alien) is not eligible for a U.S. social security number, and they are required to file a U.S. tax return or are filing a U.S. tax return only to**

claim a refund, they fill out IRS W-7 Form. It is the Application for IRS Individual Taxpayer Identification Number (ITIN). <http://www.irs.gov/pub/irs-pdf/fw7.pdf>

g. Chapters will have several forms to fill out at year end.

- i. **Chapter will give international teacher IRS 1042-S Form.** This is a foreign Person's U.S. Source Income Subject to Withholding. <http://www.irs.gov/pub/irs-pdf/f1042s.pdf>
- ii. **Chapter will send the IRS a 1042-T.** This is the Annual Summary and Transmittal of Form 1042-S. <http://www.irs.gov/pub/irs-pdf/f1042t.pdf>

3. Visa/Immigration

- a. It has been brought to our attention those teachers who are not U.S. citizens must have the appropriate visa needed to enter the United States and receive payment for services.
- b. In order to comply with our government's requirements, the Chapter must request the teacher mail or e-mail them a copy of their Visa. In order for the teacher to be paid, a copy of the Visa must be on file with the Chapter.

4. Disclaimer

- a. This information is provided by SDP to assist chapters in complying with IRS regulations. Please contact Elizabeth Stevenson, Chapter Coordinator, if you need further information at elizabeth@decorativepainters.org or (316) 269-9300, ext 107.
- b. We recommend teachers consult with their accountant for information concerning international taxes.
- c. We recommend teachers consult with their attorney for immigration information.