

# Overview: Inviting and Paying Foreign Visitors

This article is intended to be a brief reference for departments that are planning to pay foreign visitors who are considered nonresident aliens for services performed in the U.S. as independent contractors or for travel reimbursement. Generally, visitors who are coming to speak at a short course or meeting will be paid honoraria as independent contractors, not compensated as employees. If you are not sure if your foreign visitor is a nonresident alien, contact Tax Compliance: Mairelys Perez (7-7561), Ciro Castro (7-6764) or email [tax@fiu.edu](mailto:tax@fiu.edu). If your visitors were coming for an extended period to teach a full course, they would be considered employees and not subject to this guide. If you will be paying a foreign corporation, or making payments unrelated to honoraria, special rules may apply. Contact Mairelys Perez (7-7561), Ciro Castro (7-6764) or email [tax@fiu.edu](mailto:tax@fiu.edu).

The most important thing to remember is to **PLAN EARLY!**

If proper arrangements are not made before your visitor arrives in the U.S. you may find that the University is barred from honoring commitments that you may have made without violating immigration or Federal tax regulations. Use this guide to plan ahead. Payment of honoraria or travel reimbursement (whether directly to the visitor or to a third party) requires compliance with certain visa requirements. Before you make any arrangements with your visitor to pay an honorarium, contact Tax Compliance to determine immigration requirements.

Visitors are invited to FIU from around the world to speak, collaborate and study. Immigration and tax regulations require advance planning to comply with these regulations when making payment to a foreign visitor. The type of visa on which the visitor enters the U.S., the type of activity to be performed and the type of payment to be requested must all be decided before inviting the visitor.

## Compliance Issues

**Visas:** Depending upon the type of activity to be performed and type of payment to be requested, it may be necessary for FIU to apply for an entry visa (generally a J-1 visa) on the visitor's behalf. The visa on which the visitor enters the country is one factor that determines the type of payment that can be made. Immigration regulations prohibit or limit payments to visitors entering on most visa types, including tourist (B-2 or WT), business (B-1 or WB) and diplomatic visas (A-1 or A-2). FIU must comply with these regulations and, additionally, the visitor is responsible for complying with the terms of his/her visa and the associated payment restrictions.

## Visitor Categories

Summarized below are the types of activities visitors are generally invited to perform and the types of payments allowed for each and the type of visa the visitor must obtain to receive a payment. Please plan ahead, contact Tax Compliance with questions before your visitor comes to the U.S. so that we can evaluate the situation and recommend the best course of action.

Example Visitor Categories	Example Activity	Allowable Visa Types	Allowable Payment Types
Short-Term Visitor or Collaborator	Speaker, Conference Attendee. May work in the lab on research projects of mutual interest	J-1, B-1 (WB)	Travel Reimbursement, Honorarium. Possibly, subsistence or travel grant
Visiting Research Associate	Works in the lab on FIU's project, permanently employed by another institution	J-1	Salary
Visiting Scholar	Courtesy appointment, performs research not for FIU's benefit	J-1	Honorarium if a talk is presented
Fellow (Non-Postdoctoral, Mid-Career)	Appointment in Policy Centers and Institutes	J-1	Subsistence, travel grant
Visiting Researcher	Conducts research to the mutual benefit of FIU and the visitor under the supervision of a faculty member	J-1	Salary or fellowship

## Visa Types

In most circumstances, FIU is only able to make payment to a short-term foreign visitor if he/she enters on a J-1, B-1 or WB (waived business) visa status. Visa application and entry information for each is described below:

- **B-1 (WB):** A B-1 or WB visa is obtained by the visitor when entering the U.S. on business. Payment can be made to a visitor in this status only if the following criteria are met:
  - Honoraria may be paid if the event lasts no more than 9 days, the service is of direct benefit to FIU and the visitor has not accepted

more than 5 such payments from other institutions during the previous 6 months.

- Subsistence may be paid to collaborators in a lab if the visit does not exceed 6 months (note that if the visa is a WB, the stay is limited to 90 days).

- **J-1:** A J-1 visa application is initiated by FIU by the department inviting the visitor.

### **Notes on Other Visa Types**

FIU-sponsored F-1 / J-1 (Student), J-1 (Researcher), H1-B, TN and other non-U.S. citizens authorized for employment in the U.S. may be paid according to normal University policy as it relates to their status (student or employee) with the University.

In limited circumstances, payment may be requested for visitors on other visa types as described below (contact Tax Compliance):

- **A-1 (Diplomat):** Must reimburse consulate directly for travel reimbursements. No other payments allowed.
- **G-1 (World Organization):** Must reimburse world organization directly for travel reimbursements. No other payments allowed.
- **F-1 (Student) - Not Sponsored by FIU:** Must receive written permission from sponsor in advance of any payment.
- **J-1 - Not Sponsored by FIU:** Must receive written permission from sponsor in advance of any payment.
- **H-1 - Not Sponsored by FIU:** Payment to sponsoring institution only. Payment to the individual not permitted.
- **O-1 (Outstanding) - Not Sponsored by FIU:** Payment to sponsoring institution only. Payment to the individual not permitted.

### **Letter of Invitation**

A formal letter of invitation should be provided to the visitor to summarize the terms of the visit. The letter should include the following components:

#### **B-1 Visitor:**

- Purpose of the visit.
- Period of time covered by the visit.
- Payment offered, including what travel expenses will be covered, original receipt requirements, car rental restrictions on insurance, air fare class allowed, lodging and meal payment or per diem. Please

review the applicable FIU policy available on the University Compliance Office website.

- Note: If spouse or family member accompanies a visitor, their costs are not reimbursable.
- Type of visa required B-1, and steps involved, including necessity to enter as a business visitor and that no payment will be made if entry is made on a B-2 or WT visa.
- Advise when payments will be received and tax obligations, if any.

### **J-1 Visitor:**

- Purpose of the visit.
- Period of time covered by the visit.
- Payment offered, including what travel expenses will be covered, original receipt requirements, car rental restrictions on insurance, air fare class allowed, lodging and meal payment or per diem. Please review the applicable FIU policy available on the University Compliance Office website.
- Note: If spouse or family member accompany a visitor, their costs are not reimbursable
- Type of visa required J-1, and steps involved, including the approximate time the DS-2019 (visa approval document) will be received. The DS-2019 must be taken to the consulate in the visitor's country to obtain the visa and must be carried with the visitor to the U.S. Please contact the Office of International Student Services for more information regarding FIU sponsored visas.
- If it is necessary to obtain a Social Security Number or ITIN.
- Cover health insurance requirements.
- Advise when payments will be received and tax obligations, if any.

## **Tax Information**

Most payments to foreign visitors are subject to tax withholding and reporting. Withholding and reporting requirements are described below:

**Travel Reimbursement (FIU business purpose):** Travel reimbursement payments to visitors, where FIU has a business purpose such as inviting an expert speaker to a conference, are not tax reportable.

**Honorarium:** Honorarium payments are tax reportable. Payments are subject to 30% federal withholding. The recipient receives a 1042-S form at year-end and must have or apply for a Social Security Number or ITIN. Foreign visitors from a country with a tax treaty may claim exemption from withholding by filing Form 8233.

**Subsistence and Travel Grants:** Subsistence and travel grant payments are tax reportable. Payments are subject to 14% federal withholding for those in F, J, M or Q visa status. The recipient receives a 1042-S at year-end. The recipient must have

or apply for a Social Security Number or ITIN. Foreign visitors from a country with a tax treaty may claim exemption from withholding by filing Form W-8BEN.

## **How to Get Help**

For questions regarding paying travel reimbursement or honoraria, or any other payments to foreign visitors, please contact Tax Compliance - Mairelys Perez (7-7561), Ciro Castro (7-6764) or email [tax@fiu.edu](mailto:tax@fiu.edu). Remember, the key is to plan ahead.