

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: January 12, 2010

PERSONNEL LETTER #10-002
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel/Payroll Services Division

RE: **VERIFICATION OF EMPLOYEES IDENTIFIED AS NONRESIDENT ALIENS**

The State Controller's Office (SCO) currently maintains a database of employees identified by their employing agency as nonresident aliens (NRA) subject to the federal tax withholding rules determined by the Internal Revenue Service (IRS). For more information on this process please see Payroll Letter #06-030 and Personnel Letter #08-001 for details. In order to ensure that the employees on this database are current, the SCO has created a listing of the employees for each agency to recertify.

All employees on the NRA database as of January 8, 2010 are on the listing including those who are active, on leave or separated. The listing is sorted by agency code and then by social security number. The listing also includes the employee's name, position number, federal marital status, number of federal tax exemptions and an 'X' if the person has separated.

VIEWING THE NONRESIDENT ALIEN REPORT

This listing of NRA employees is now available on ViewDirect. The listing can be found in ViewDirect under the report ID PDW7170, report name "Employees Identified as Nonresident Aliens" and will remain on ViewDirect until March 2010. A hard copy version of the listing will not be provided to agencies. Only personnel staff authorized to access ViewDirect will be able to view and print the listing. For more information on accessing and printing ViewDirect reports, please see the ViewDirect User Guide on the SCO web site at http://www.sco.ca.gov/Files-PPSD/viewdirect_user_manual.pdf.

If the "Employees Identified as Nonresident Aliens" report (PDW7170) is not listed in your agency's ViewDirect report directory, then there are no individuals employed at your agency on the NRA database.

VERIFYING THE LISTING

Please review each record on the listing and verify the employee is still an NRA per the rules indicated in the Internal Revenue Service (IRS) Notice 2005-76 located at <http://www.irs.gov/pub/irs-drop/n-05-76.pdf>. Use the attached form to indicate any employee changes and complete the department name, contact person, contact number/email and authorizing signature. If an employee separated or changed

status and is no longer an NRA subject to the federal tax withholding rules, complete his/her name, social security number and enter delete in the type of change field. If there are any nonresident alien

employees missing from this listing, add the employee name, social security number and enter add in the type of change field.

If the listing provided is accurate and no changes need to be made, please return the attached form with the department name, contact person, contact number/email address and authorizing signature completed and check the box "No Changes" on the bottom of the form. All responses are due by February 15, 2010. The responses can be sent through secure fax at (916) 322-8137 or mailed to the following address:

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Attn: Jeanna Gonzalez

Also, please verify that the employees on the listing are claiming the appropriate federal marital status and number of federal tax exemptions. Per IRS Notice 2005-76 the listed nonresident alien employees must claim a federal marital status of "S" for single regardless of their actual marital status and cannot claim more than "1" federal tax exemption with exceptions made for specific countries. Nonresident aliens cannot claim exempt from federal taxes unless they are covered under a tax treaty. Please verify that employees are completing their Employee Action Request (EAR), Form STD. 686 correctly and do not accept documents that are requesting a federal marital status or tax exemption other than allowed by the IRS. For employees on the listing with incorrect federal marital status/tax exemptions, please have the employees complete and submit a Form Std. 686 with the appropriate information.

If you have questions, please contact Jeanna Gonzalez at (916) 322-3899 or jgonzalez@sco.ca.gov.

LM:JG:PMAB

Attachment

