

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

DATE: July 15, 2020

PERSONNEL LETTER #20-015
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Jil Barraza, Chief
Personnel and Payroll Services Division**RE: VERIFICATION OF EMPLOYEES IDENTIFIED AS NONRESIDENT ALIENS**

The State Controller's Office (SCO) maintains a database of all Nonresident Alien (NRA) employees. As of July 1, 2020, all employees identified as NRA, per federal tax withholding rules determined by the Internal Revenue Service (IRS), are on the NRA report, including those who are active, on leave or separated. The report is sorted by agency code and then by social security number. The report also includes tax exemptions and an 'X' if the person has separated. For more information on this process, please see Payroll Letter #06-030.

VIEWING THE NONRESIDENT ALIEN REPORT:

This report is now available on ViewDirect and will remain on ViewDirect until September 2020. You can access the report under ID PDW7170, report name "Employees Identified as Nonresident Aliens."

Only personnel authorized to access ViewDirect can view and print the report. For more information on accessing and printing ViewDirect reports, please refer to the ViewDirect User Guide on the SCO website at [ViewDirect User Guide](#) (*SCO will not provide a hard copy version of the report*).

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

VERIFYING THE REPORT:

Please review each record on the report and verify the employee is still an NRA per the rules indicated in the IRS Notice 2005-76 located at [IRS Notice 2005-76](#). 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 employee's name, social security number and enter '**delete**' in the type of change field. If there are any NRA employees missing from the report, add the employee's name, social security number and enter 'add' in the type of change field. If there are no changes, please mark the box '**No Changes**' at the bottom of the form. If you do not have any NRA employees, mark the box '**No Nonresident Alien Employees**' at the bottom of the form. All agencies are required to respond.

Return the completed form through a secure fax at (916) 324-7915, email at PPSDTempOps@sco.ca.gov or by mail to the following address:

State Controller's Office
Personnel and Payroll Services Division
Attn: Statewide Tax Support Program
P.O. Box 942850
Sacramento, CA 94250-5878

All responses are due by July 31, 2020 to update our NRA database and to comply with the IRS.

EMPLOYEE ACTION REQUEST (EAR), FORM STD. 686:

Departments should verify that the employees on the report are claiming the appropriate federal marital status and number of federal tax exemptions. Per IRS Notice 2005-76, the listed NRA 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 Canada, Mexico, South Korea or a student from India. NRA employees cannot claim exempt from federal taxes unless covered under a tax treaty.

Verify that employees complete their Employee Action Request (EAR), Form STD. 686 correctly. Do not accept documents that request a federal marital status or tax exemption other than allowed by the IRS. For employees on the report with incorrect federal marital status/tax exemptions, have the employees complete and submit a Form STD. 686 with the appropriate information.

If you have questions, please contact the Personnel and Payroll Services Division Statewide Tax Support Program at PPSDtaxsupsect@sco.ca.gov.

Additional Contact Information: [Statewide Customer Contact Center](#) (916) 372-7200, HR Suggestions Email Inbox (All HR Staff) – PPSDHRSuggestions@sco.ca.gov, Escalation Email Inbox (HR Supervisors and Managers) – PPSDOps@sco.ca.gov

JEB:AR:SF:PPOB

Attachment

