

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

DATE: February 9, 2022

PERSONNEL LETTER #22-003

TO: All Agencies/Campuses in the Uniform State Payroll System

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

The State Controller's Office (SCO) maintains a database of all Nonresident Alien (NRA) employees. As of January 3, 2022, all employees identified as a NRA, per federal tax withholding rules determined by the Internal Revenue Service (IRS) will be available to view for verification. The report is sorted by agency code and then by social security number. For more information on this process, please see Payroll Letter #06-029 (CSU only) or Payroll Letter #06-030 (Civil Service only). **All agencies and campuses are required to comply even if no NRAs are currently employed.**

The SCO is working towards eliminating historically offensive terminology by identifying and removing the terminology from our resources. The term "alien" is one recognized as being historically related to prejudice. However, the SCO has made the determination to revert the term "Noncitizen" back to the Internal Revenue Service (IRS) recognized "Nonresident Alien," up to and until the time this designation is changed by the IRS.

**VIEWING THE REPORT:**

This report is now available on ViewDirect and remained on ViewDirect until March 31, 2022. You can access the report under ID PDW7170, report name "Employees Identified as Nonresident Alien."

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 web site at [https://www.sco.ca.gov/Files-PPSD/viewdirect\\_user\\_manual.pdf](https://www.sco.ca.gov/Files-PPSD/viewdirect_user_manual.pdf) (*SCO will not provide a hard copy version of the report*).

If your agency does not have the "Employees Identified as Noncitizen" report (PDW7170) as of March 31, 2022, in the ViewDirect report directory, then there are no individuals employed at your agency on the Nonresident alien database.

**VERIFYING THE REPORT:**

Please review each record on the report and verify the employee is still a NRA per the rules indicated in the 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 a 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 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.

Return the completed form via encrypted email to [PPSDSTSP@sco.ca.gov](mailto:PPSDSTSP@sco.ca.gov). In the subject line, please indicate NONRESIDENT ALIEN.

All responses are due by **March 15, 2022** to update our NRA database and to comply with the IRS.

EMPLOYEE ACTION REQUEST (EAR), FORM STD. 686 OR STUDENT PAYROLL ACTION REQUEST (SPAR), FORM STD. 457:

Departments and campuses should verify that the employees on the report are claiming the appropriate federal marital status. 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. Effective for wages paid beginning January 1, 2022, NRA employees cannot claim "1" as a federal tax exemption but can continue to claim "1" as a state exemption. The IRS eliminated the federal personal and dependent exemptions as a result of the 2017 Federal Tax Cuts and Jobs Act (TCJA). The State of California does not conform to the elimination of federal tax exemptions. NRA employees must indicate Y or N for the Higher Withholding (E04) field on the EAR and SPAR forms, respectively. NRA employees are required not to complete Claimed Dependents under item E05 of STD. 686 (EAR) Form and Section G of STD. 457 (SPAR) form with exceptions made for residents of Canada, Mexico, South Korea or a student from India, or a business apprentice from India. The completion of the new fields Other Income (E06) and Deductions (E07) are optional (see [Notice 1392](#), Supplemental Form W-4 Instructions for Nonresident Aliens. A NRA employee cannot claim exempt from federal taxes unless they are covered under a tax treaty.

Verify that employees complete their Employee Action Request (EAR), Form STD. 686 or Student Payroll Action Request, Form STD. 457 correctly. Do not accept documents that request a federal marital status or state tax exemption other than allowed by the IRS. For employees on the report with incorrect federal marital status/state tax exemptions, have the employees complete and submit a Form STD. 686 or STD. 457 with the appropriate information. NRA employees whom fail to file, or file an invalid Form STD. 686 or STD. 457 form, as required by IRS regulations shall have federal income taxes withheld at the rates pertaining to single status with no other adjustments for the federal and zero exemptions for the state.

If you have questions, please contact the Personnel and Payroll Services Division, Statewide Tax Support Program at [PPSDSTSP@sco.ca.gov](mailto:PPSDSTSP@sco.ca.gov).

For additional questions regarding this letter, please use the following contact information:

- Affordable Care Act (ACA) Email [acasupport@sco.ca.gov](mailto:acasupport@sco.ca.gov)
- Cal Employee Connect Email [connecthelp@sco.ca.gov](mailto:connecthelp@sco.ca.gov)
- Cal Employee Connect Feedback Email [connectfeedback@sco.ca.gov](mailto:connectfeedback@sco.ca.gov)
- California Leave Accounting System (CLAS) Email [Clas@sco.ca.gov](mailto:Clas@sco.ca.gov)
- ConnectHR Email (All HR Staff) [connecthrhelp@sco.ca.gov](mailto:connecthrhelp@sco.ca.gov)
- ConnectHR Feedback Email (All HR Staff) [connecthrhelp@sco.ca.gov](mailto:connecthrhelp@sco.ca.gov)
- CS Escalation Email (HR Supervisors and Managers) [PPSDOps@sco.ca.gov](mailto:PPSDOps@sco.ca.gov)
- CSU Inquiry Email (HR Supervisors and Managers) [PPSDCSUInquiry@sco.ca.gov](mailto:PPSDCSUInquiry@sco.ca.gov)
- HR Suggestions Email (All HR Staff) [PPSDHRSuggestions@sco.ca.gov](mailto:PPSDHRSuggestions@sco.ca.gov)
- Management Information Retrieval System (MIRS) Email [ppsdmirs@sco.ca.gov](mailto:ppsdmirs@sco.ca.gov)
- [Statewide Customer Contact Center](#) (916) 372-7200

**SCO Key Initiatives:**

- [Cal Employee Connect Project](#)
- [California State Payroll System Project](#)

JEB:AR:JO:STSP

Attachment

Listing of Nonresident Aliens Subject to IRS Notice 2005-76

Department: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_ Contact Number/Email: \_\_\_\_\_  
 Authorizing Signature\*: \_\_\_\_\_

Social Security Number	Employee Name	Type of Change (Add or Delete)	Non-Citizen (Code B) Nonresident

\*Must be a person authorized to sign Employment History documents.  
 \*\*Complete all columns that apply to the employee.

No Changes                       No Nonresident Alien Employees

To: State Controller’s Office  
 Attn: Statewide Tax Support Program  
 Via [PPSDSTSP@sco.ca.gov](mailto:PPSDSTSP@sco.ca.gov).  
 Attn: STSP, NONRESIDENT ALIEN