Out-of-State/Out-of-Country Processing
• The Out of State Income Tax Withholding form assists Payroll Services in determining the tax withholding for an individual who **works** and **lives** in a state other than California.

• Employees are categorized as one of the following:
  – California tax residents - subject to tax withholding on their world wide income regardless of where the work is performed.
  – California nonresidents who work in California - subject to tax withholding on their portion of income that is earned in the state of California.
  – Nonresidents working and living outside California - not subject to California tax withholding. They are subject to state income tax withholding in the state in which they are working.
  – Nonresidents who relocate from outside of California to California. Employees are required to complete an Out-of-State Income Tax Withholding form to cancel the current state income tax withholding and elect California income tax withholding to ensure the tax profile is properly set up. In addition, employees are also responsible to update their address in California.
Instructions on how to complete an Out Of State Income Tax Withholding form for employees working out of the State of California
Navigate to UCPath > Forms Library > Access Form > Payroll > **Out of State Tax Income Withholding**

**Step 1:**

- Log into UCPath online and navigate to the **Forms Library**. Click **Access Forms**, then select **Out-of-State Income Tax Withholding**.

  - Information from UCPath will automatically populate to the appropriate fields.

- Complete all fields on the eForm and use the magnifying glass where applicable for selection. Do not type information to prevent errors when submitting form.
Step 2:

- Validate his/her information.
- Input an updated address* if applicable**.
- For the **Type of Request**, select **Request New**.
- For the **Type of Request**, select **Stop Existing Request**. Use this option when cancelling the current state to elect a new state.
Step 3:

- Complete the **Non-Resident of California** section* as applicable. This is the physical work location.

- A list of action items will populate based on the information that is submitted.

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*This would be the information for where the employee physically works. If the employee works from home, the home address is the work location, with the exception of reciprocal states.*
Step 4:

- Click the link provided to find the appropriate state withholding form. A list of states will populate to assist in determining whether he/she needs to submit additional forms.
- Upload any relevant attachments as needed. This may include state income tax withholding form.
- Click Submit to send form(s) to the UCPath Center for processing.
Instructions on how to complete an Out Of State Income Tax Withholding form for employees working out of the country
The Out of State Income Tax Withholding form and a Foreign Source Income Statement form assists Payroll Services in determining the tax withholding for an individual who **works** and **lives** out of the country.

- Employees are categorized as one of the following:
  - California tax residents - subject to tax withholding on their worldwide income regardless of where the work is performed.
  - Nonresidents working and living outside California - not subject to California tax withholding. They may be subject to state income tax withholding in the state in which they are working.

- NRA employees need to log into GLACIER and update their date of departure.

- When or if the NRA returns to the United States, they need to update their GLACIER record accordingly.

- Once the employee returns to CA, they are responsible for updating their home address to CA and canceling the Out of State Income Tax Withholding form in order for their taxation to be switched to CA.
Complete the Foreign Source Income Form:

Navigate to: UCPath > Forms Library > Access Forms > Payroll > Foreign Source Income Statement

Section 1:
• Complete all fields in this section. Additional instructions can be found in the hyperlink.
Complete the Foreign Source Income Form (cont’d):

**SECTION 2. FOREIGN SOURCE STATEMENT FOR PAYMENT OF EMPLOYMENT**

| ☐ | Check the box if you are not a U.S. citizen, lawful Permanent Resident Alien of the U.S or a U.S. person or resident for tax purposes. |
| ☐ | Check the box if you were employed by the University of California. |
| % | Indicate the percentage of time that you worked OUTSIDE of the U.S. |
| Employment Begin Date (m/d/yyyy) | Employment End Date (m/d/yyyy) |
| Employment Contract Begin Date (m/d/yyyy) | Employment Contract End Date (m/d/yyyy) |
| Address(es) of Employment Locations OUTSIDE of the U.S. |
| 1 |
| 2 |
| 3 |

**SECTION 3. FOREIGN SOURCE STATEMENT FOR ACADEMIC SCHOLARSHIPS / FELLOWSHIPS**

| ☐ | Check the box if you are not a U.S. citizen, lawful Permanent Resident Alien of the U.S or a U.S. person or resident for tax purposes. |
| % | Indicate the percentage of educational activity associated with this academic scholarship or fellowship that was conducted OUTSIDE of the U.S. |
| Educational Activity Begin Date (m/d/yyyy) | Educational Activity End Date (m/d/yyyy) |
| Address(es) of Locations OUTSIDE of the U.S. where Educational Activity was Conducted |
| 1 |
| 2 |
| 3 |

| Name of Payer of Scholarship or Fellowship | Address of Payer of Scholarship or Fellowship |

Sections 2 and/or 3:
- The section(s) to complete are dependent upon the work assignment.
- Complete all relevant fields in these sections.
Complete the Foreign Source Income Form (cont’d):

**SECTION 4. PAYEE SIGNATURE**

- [ ] I certify that the above information is true, correct and complete to the best of my knowledge.

<table>
<thead>
<tr>
<th>Type/Print Name*</th>
<th>Title*</th>
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<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Employee Signature*</th>
<th>Date* (m/d/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Section 4:
- Complete all fields in this section. Once completed attach to Out of State Income Tax Withholding form.
Employee working out of the country submits an Out of State Income Tax Withholding form and Foreign Source Income Statement

Navigate to UCPath > Forms Library > Access Form > Payroll > Out of State Tax Income Withholding

Step 1:

- Log into UCPath online and navigate to the Forms Library. Click Access Forms, then select Out-of-State Income Tax Withholding.
  - Information from UCPath will automatically populate to the appropriate fields.
- Complete all the sections of the eForm.
Step 2:

- Validate his/her information.
- Input an updated address* if applicable.
- For the **Type of Request**, select **New Request**
- Use the magnifying glass where applicable in order to avoid errors.
- For State of Residence select “FC.”

*A separate update via UCPath online will be required if employee wishes to change his/her home address on file.*
Step 3:

- Complete the Non-Resident of California section* as applicable.
- A list of action items will populate based on the information that is submitted.

*This would be the information for where the employee physically works. If the employee works from home, the home address is the work location, with the exception of reciprocal states.
Step 4:

- Upload Foreign Source Income Statement shown on slide 12.

- Click **Submit** to send form(s) to the UCPath Center for processing.