

PCG Alert
12/11/17

Nonresident and Resident Aliens

In an ongoing effort to comply with IRS tax regulations relative to Nonresident and Resident aliens, all Resident and Nonresident employees hired by the State must be reported to the Payroll Compliance Group (PCG) effective immediately.

The PCG is continuing to review the results of the Statewide Compliance Examination (SCE) distributed in August (Division of Accounting Memorandum, #18-04) and contacting Organizations with current Resident and/or Nonresident aliens to ensure compliance with IRS regulations for tax purposes. Those employees previously reported on the SCE do not need to be reported again; however, any employees that have been subsequently hired must be submitted to PCG.

The *Tax Treatment of Income Paid to Aliens* procedure (PCG-NRA) and the *Organization Nonresident/Resident Checklist* and *Nonresident Alien Intake and Interview Sheet* are located on the PCG website in the following location: [PCG Policies & Procedures](#) The checklist outlines the documents that must be submitted to PCG to determine if the employee is a Resident alien (for tax purposes) or a Nonresident alien.

If the employee is determined to be a Nonresident alien, PCG will complete the *Employee Tax Data* set up in PHRST and notify the Organization of eligibility for tax treaties. Please refer to *PHRST Memorandum 17-05* concerning the proper Human Resources data entry for Nonresident aliens.

Your adherence to this procedure is appreciated. Failure to comply with this procedure may result in IRS fines and penalties assessed to your Organization.

If you have any questions, contact the Payroll Compliance Group at PCG.DOA@state.de.us.

PCG Alerts are posted on the DOA Website:

https://accounting.delaware.gov/payroll_comp.shtml