

Payments - Honoraria

- Payment of Honoraria or Speaker Fees to Foreign Visitors

This page provides general information to foreign visitors on immigration, tax, and processing issues for honoraria paid to foreign visitors. Honoraria are payments that represent a token of appreciation. The term is not defined in the Internal Revenue Code, and the IRS classifies such payments as taxable fees.

Immigration law restricts payments GRCC can make to foreign nationals:

Note: Contact the Financial Services Office prior to processing an honorarium for a foreign visitor who is not on a J-1 visa, B-1 visa, or from a visa waiver country.

J-1 VISAS:

We can make these payments to our visitors on J-1 visas sponsored by GRCC.

B-1/B2 VISAS:

Based on recent legislation, an educational institution can now pay an honorarium to a foreign national on a B-1 visa, but ONLY in limited circumstances. If your visitor does not meet the conditions, GRCC is barred from paying the honorarium under the law. There is no dollar limit, but the visit cannot exceed 9 days at a single institution AND the foreign visitor cannot accept payment or expenses from more than 5 institutions in the previous 6-month period. You can obtain a foreign national information form that will provide the appropriate documentation by contacting GRCC's Controller or see S:\Units\Financial Services\Budget Control Officers - foreignnationalinfoform

A foreign national who enters the U.S. in "B-2 Visitor for Pleasure" or "WT Waiver Tourist" status may receive a travel reimbursement (transportation, lodging and per diem) only if he or she qualifies under the honoraria rules. A B-1 or WB visitor for business entrant is allowed to receive a travel reimbursement whether or not he or she qualifies for an honorarium.

VISA WAIVER COUNTRIES:

The rules for payments of honoraria for visitors from "visa waiver" countries are the same as the B-1/B-2 rules (see above). Please reference the [U.S. Department of State](http://www.state.gov) website for a complete list of countries.

Note: GRCC withholds 30% on honoraria paid to foreign nationals unless a treaty exemption applies (regardless of visa type).

We discourage foreign visitors from seeking treaty exemption on honoraria because the payments are generally minor, the paperwork for GRCC and the recipient is substantial, and the recipient is generally no better off and might be worse off. The language and restrictions in treaties differ, and some treaties have limited privileges, which, if exhausted in one visit, cannot be reused in subsequent visits (or at least not used for some time). In addition, if we withhold tax, visitors will not be subject to double taxation. They can generally elect a tax credit in their home countries for taxes paid in the U.S. or can file U.S. tax returns for the appropriate refunds -- albeit the IRS rejects returns unless they have U.S. federal ID numbers. If we grant treaty exemption, the IRS reports the income to the individual's home country, so a U.S. tax return will need to be completed.

Note: There are processes in place for Non-Resident Aliens to recover withheld taxes; therefore it is the College's policy to not "gross-up" payments to compensate for tax withholding.