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Foreign Student Liability for Social Security and Medicare Taxes

Resident aliens, in general, have the same liability for Social Security/Medicare Taxes that U.S. Citizens have.

Nonresident aliens, in general, are also liable for Social Security/Medicare Taxes on wages paid to them for services performed by them in the United States, with certain exceptions based on their nonimmigrant status. The following classes of nonimmigrants and nonresident aliens are exempt from U.S. Social Security and Medicare taxes:

- A-visas. Employees of foreign governments are exempt on salaries paid to them in their official capacities as foreign government employees.
  - The exemption does not apply to spouses and children of nonimmigrants who are employed in the United States by anyone other than a foreign government.
- D-visas. Crew members of a ship or aircraft may be exempt if the vessel is a foreign vessel and the employer is a foreign employer, or if the services are performed outside of the United States.
  - Crew members of an American vessel or aircraft who perform services within the United States ARE subject to Social Security and Medicare taxes.
  - Crew members of an American vessel or aircraft who perform services outside the United States ARE subject to Social Security and Medicare taxes if:
    - the employee signed on the vessel or aircraft in the United States; or
    - The employee signed on the vessel or vessel outside the United States, but the vessel or aircraft touches a U.S. port while he is employed thereon.

- F-visas, J-visas, M-visas, Q-visas. Nonresident Alien students, scholars, professors, teachers, trainees, researchers, physicians, au pairs, summer camp workers, and other aliens temporarily present in the United States in F-1, J-1, M-1, or Q-1/Q-2 nonimmigrant status are exempt on wages paid to them for services performed within the United States as long as such services are allowed by USCIS for these nonimmigrant statuses, and such services are performed to carry out the purposes for which such visas were issued to them.
  - Exempt Employment includes:
    - On-campus student employment up to 20 hours a week (40 hours during summer vacations).
    - Off-campus student employment allowed by USCIS.
    - Practical Training student employment on or off campus.
    - Employment as professor, teacher or researcher.
    - Employment as a physician, au pair, or summer camp worker.
  - Limitations on exemption:
    - The exemption does not apply to spouses and children in F-2, J-2, M-2, or Q-3 nonimmigrant status.
    - The exemption does not apply to employment not allowed by USCIS or to employment not closely connected to the purpose for which the visa was issued.
    - The exemption does not apply to F-1, J-1, M-1, or Q-1/Q-2 nonimmigrants who change to an immigration status which is not exempt or to a special protected status.
    - The exemption does not apply to F-1, J-1, M-1, or Q-1/Q-2 nonimmigrants who become resident aliens

If you have any questions, please go to this link:

http://www.irs.gov/Individuals/International-Taxpayers/Foreign-Student-Liability-for-Social-Security-and-Medicare-Taxes