

# Form W-8

The Form W-8 is used to establish the payee's status for income tax withholding purposes. Form W-8 is required for payments including, but not limited to, payments for services, scholarships, and fellowships.

The Withholding Agent (University of Illinois System) is required to request a Form W-8 from any payee to whom it is making a payment that it presumes or otherwise has reason to believe is a foreign payee. The System is required to collect Form W-8 in situations where the System is paying funds to a foreign payee regardless of the classification of U.S. sourced or foreign sourced income.

## [W-8BEN](#) **Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Tax Reporting (Individuals)**

The form is used by foreign individuals to document foreign status for tax withholding purposes, or to claim treaty benefits. Most foreign individuals complete Form W-8BEN. For example, a foreign national individual would complete this form if s/he was receiving honorarium payments from the System.

## [W-8BEN-E](#) **Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)**

This form is used by foreign entities to document foreign status for tax withholding purposes, FATCA status, or to claim tax treaty benefits. For example, a foreign entity would complete this form if it is receiving any payment from the System (such as royalties) that is not effectively connected with the conduct of trade or business within the United States.

## [W-8ECI](#) **Certificate of Foreign Person's Claim that Income is Effectively Connected with the Conduct of a Trade of Business in the United States**

This form certifies that the foreign payee has a trade or business in the United States effectively connected with the income payment being paid. For example, a foreign corporation would complete this form if it is receiving payment from the System for services (such as consulting) rendered in the United States and the payment is effectively connected with the foreign corporation's conduct of a trade or business within the United States.

## [W-8EXP](#) **Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding**

This form is used by foreign governments, international organizations, foreign central banks, foreign tax exempt organizations or foreign private foundations claiming exemption from withholding or reduced rate of withholding. For example, a foreign government would complete this form if it is receiving an honorarium payment from the System for speaker-services performed.

## [W-8IMY](#) **Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting**

This form is used when a foreign entity is either an intermediary not acting for its own account or is a fiscally transparent entity, either for U.S. income tax purposes or for income tax purposes in its resident country, such as a foreign trust or foreign partnership. For example, a foreign entity would complete this form if it is receiving a payment for services on behalf of others (partners or trustees) as a flow-through entity.

If the System receives any of these forms, the System may not be required to withhold taxes from the payment being processed. However, the System is still generally required to report such payments on [Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding](#), ([Form 1042-S Instructions](#)) unless certain exceptions are met such as the payments are for (1) tangible property and the payee has no substantial presence in the United States, or (2) services performed outside the United States (i.e., foreign source income).

When withholding is required, federal income tax is withheld on payments made to foreign payees at a rate of 30% unless a lower rate is prescribed in a treaty between the United States and the country in which the foreign payee resides or has a permanent establishment.

See [Section 18.2, Foreign Nationals](#), for additional information, including IRS forms and instructions.

*Note: This information is intended for the purpose of informing System employees and units about foreign national tax issues. This information does not constitute legal or tax advice. Individuals should consult with their attorneys or tax professionals for advice on personal issues.*