



# COLORADO COLLEGE

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## Procedures for International Honorarium Recipients and International Performers

A summary of the rules and regulations related to paying honorariums and international performers is below however each situation is different and dependent on multiple variables such as where the visitor is from, what type of visa they hold, their tax status in the U.S. and any prior business visits to the U.S. **Please contact the [Tax and Compliance Manager](#) before the visitor arrives in the U.S. so a tax determination can be made.** Please also keep in mind that additional time may be needed to obtain the necessary paperwork, so please plan accordingly and allow sufficient time to have your payment processed. **The tax and immigration laws related to these payments are very specific and must be followed for Colorado College to be in compliance.**

### Honorarium

An **honorarium** for an international visitor is defined as a gratuitous payment of money or other thing of value to a person for their participation in a “**usual academic activity**”. There is a broad definition of usual academic activity that includes lecturing, teaching, sharing knowledge, and meetings of boards or committees that benefit the institution. It also includes performances, master classes and readings as long as there is not a commercial nature to the events and they are open to students and the general public free of charge.

### Entrance Visa

To receive an honorarium, a visitor **must have a visa that legally permits the recipient to receive income. Tourist visas such as B-2 visas do not allow the recipient to earn any income during their time in the U.S.** as the visa is specifically designated for pleasure or tourism. It is therefore important that we make sure the visitor is aware that they need to enter the U.S. with a **B-1 (Visitor for Business)** visa. Often immigration officials want to stamp everyone with a B-2 (visitor for pleasure or tourism) stamp to keep the line moving, so it is essential to emphasize the importance of getting a B-1 instead of a B-2 visa to our international visitors.

- 1. Visa Waiver Countries** – Business visitors from waiver countries may generally come in to the U.S. without applying for a visa and they usually have to preauthorize their travel on the ESTA (Electronic System for Travel Authorization) website. Typically visitors from waiver countries will receive a WT (Waiver for Tourism) stamp upon entering the U.S. **The WT stamp is the equivalent to the B-2 visa and these visitors generally cannot receive payments or earn income while in the U.S.** Visitors coming from visa waiver countries need to let the immigration agent know that they are coming to the U.S. for business so that they will receive a **WB (Waiver for Business) stamp**. They may need to provide proof of their business purpose, such as a copy of their contract, to the immigration agent. If they do not have a WB stamp, the College generally cannot pay them an honorarium.
- 2. Canadian Business Visitors** – Canada is not a visa waiver country but is visa exempt which means Canadian’s generally do not need visa’s if they are traveling for pleasure or as tourists, **however if they are coming to the U.S. for business, they will need to**

- 3. state this at the border so they get a B-1 stamp in their passport.** Business visitors from Canada may also need to provide proof of their business purpose, such as a copy of the contract, to the immigration agent. If they do not have a B-1 stamp, the College generally cannot pay them an honorarium.

### **Tax Withholding**

The College is required by law to **withhold Federal income tax at the rate of 30%** from any payment for services to an international visitor unless there is an exclusion such as a tax treaty that would exempt the recipient from withholding. There are tax treaties between the U.S. and about 60 other countries that may provide an exemption to the mandatory 30% withholding requirement. This needs to be determined on a case by case basis. **If the College does not withhold the required 30% in tax from the international visitor, the College is responsible for paying the tax, and most often there will be penalties and interest involved at this point as well.**

- 1. Tax Treaties** – If it is determined that the international visitor is eligible for a tax treaty, the College will need to obtain additional information from the visitor, have the appropriate tax forms signed, and obtain copies of their immigration paperwork.

### **“9/5/6 Rule”**

The 9/5/6 rule states that during a **6 month period** an international visitor may accept an honorarium and/ or travel reimbursement from **no more than 5 institutions** and the recipient cannot work more than **9 days at each institution**. The visitor may stay in the U.S. longer than the 9 days but can only work for 9 days at each institution. **If the visitor can not comply with the 9/5/6 rule or is going to be working at CC for longer than 9 days, they will likely need to apply for a J-1 short term scholar visa through Donna Beziou in the Office of International Programs and will likely need to be paid as an employee of the College.** Donna can be reached at [Donna.Beziou@ColoradoCollege.edu](mailto:Donna.Beziou@ColoradoCollege.edu) or 227-8282.

### **Payments to agents for international performers**

Although we may be writing the check to an agent for an international performer or group, **the person earning the income is actually the person performing, not the agent**. The agent is essentially acting as the intermediary or a bank for the performer but the performer is the one providing the services, therefore earning the income. **This means we have to get enough information from the performer (or all of the performers if it is a group) to correctly report the income to the performers.** Agents are familiar with these requirements and generally will help us obtain the information we need.

- 1. IRS notices regarding withholding** –The IRS is being notified of performers that have obtained visa's and has started to communicate with the U.S. venues regarding the requirements as the payer of the income in regards to the international performers. **Please provide a copy of any IRS notices received to the [Tax and Compliance Manager](#).**
- 2. Central Withholding Agreements** – Central Withholding Agreements or CWA's are agreements that performers have made with the IRS that may reduce the rate of tax withholding on the payments they receive. The College will receive notification from the IRS that a CWA is in place and it will state exactly what the College is required to do to be in compliance with the tax laws. **Please provide a copy of the CWA to the [Tax and Compliance Manager](#).**
- 3. Performer Visa types** – We can pay a performer an honorarium however if the performer is touring they often will not be able to comply with the 9/5/6 rule. These performers will likely have a P visa which is specifically for international performers and international athletes.