

Guide for Honorarium Payments

An Honorarium is a gratuitous payment of money (or other thing of value), to an individual, for the individual's participation in "Usual Academic Activity". An honorarium is provided as a token of appreciation for participation in an activity or event when no fee is legally required and not as a contractual obligation to pay for services rendered.

Usual Academic Activity:

Usual academic activity is defined as an activity conducted for the benefit of Stockton University, the honorarium-paying institution, which can include the following activities: lecturing, teaching, consulting, conducting research, attending meetings, symposia, seminars, readings, performances, or otherwise sharing knowledge.

Honorarium Conditions and Payment Processing For US Persons (US Citizen or US Resident):

Honorarium payments can only be paid to an individual, not a company or organization, for usual academic activity lasting no longer than 9 days. There are no dollar limits in the amount given to an individual to determine if the payment is an honorarium. Follow Procurement guidelines for the Guest Speaker Agreement Form. Please include documentation from the event the individual participated in, such as a flyer or email invitation that was sent out announcing the event.

Honoraria payments represent taxable income for personal services (self-employment). Per tax regulations, Stockton University is required to report these payments to the Internal Revenue Service (IRS) on form 1099-MISC if the sum of the annual payment(s) to the honoraria recipient total \$600 or more during the calendar year.

Honorarium Payment Processing for Non-Resident Aliens (NRA's):

The following documents must be collected from the Honoraria recipient and submitted to the Controller's Office / Tax Compliance Services prior to the time of service in order to authorize an Honoraria payment for a non-resident alien. The documents must be sent to Tax@stockton.edu:

1. Letter of Invitation
2. Honorarium Certification Statement
3. Foreign Visitor Information Sheet
4. Copy of I-94 (or I-94W if from a visa waiver country) and Visa
5. If J-1 visa, Social Security number and Copy of the DS-2019 or IAP-66
6. Exchange visitors (J-1 Visas) need authorization from the Office of Global Engagement which is sponsoring their Visa (For J-1 students, the authorization from the student's sponsor must specify that the work is to be done under Academic Advising)
7. If B-1, B-2, VWB or VWT, Social Security number or Individual Taxpayer Identification number (if treaty benefits claimed). In order to access eligibility for treaty benefits, an applicant must request appointment by emailing Tax@stockton.edu.

The following documents must be submitted to the Controller's Office / Procurement Services Department:

1. Completed Guest Speaker Agreement Form according to Procurement procedures
2. Completed, signed, and dated IRS Form W-8BEN- via email to Purchasing@stockton.edu

Honorarium payments to NRA's can only be paid for an individual's participation in "Usual Academic Activity". There are no dollar limits in the amount given an individual to determine if this payment is an honorarium. Under U.S. Immigration Laws, no "B" visitors can perform work and/or be paid for non-employment compensation services outside the scope of the honorarium rules. Thus, honoraria payments for "B" visitors are not wages for services rendered (i.e. an artist comes to Stockton University to build a sculpture, thus creating a work product). That is beyond the scope of the honorarium rule if it is the work product itself that is sought, rather than a demonstration of the technique that produces the sculpture. This artist would need a work authorization in the U.S. to build the piece of art.

When analyzing potential honorarium payments, the payor (Stockton University) first needs to determine if standard immigration law or the special honorarium rules exception enacted by Congress covers the event and payment. Immigration law permits aliens with unrestricted work authorization to be self-employed and be compensated as such. This means that these individuals must be naturalized citizens, lawful permanent residents, or have Employment Authorization Cards in order to be paid an "honorarium" as compensation for such services.

The honorarium rules expand immigration law in only one way, the law allows international visitors to accept an honoraria payment as compensation for "usual academic activity" from universities and research institutions. In order for these specific honorarium rules to apply, the payee must be a visitor (an immigration law concept). The payor (Stockton University) must see evidence of visitor status in order to ensure that the rules are being followed. The honorarium rules do not require an SSN. A SSN is merely one type of ITIN that an honorarium payee may use for tax withholding and reporting purposes.

Honorarium Conditions for Non-Resident Aliens (NRA's):

If all of the following conditions are met, Stockton University can pay an honorarium to visiting International scholars in B-1, B-2, J-1, or Visa Waiver status (VWT, VWB).

- The Honorarium must be given for a Usual Academic Activity"
- The Honorarium must be given for services conducted for the benefit of the institution
- The activity or activities can last no longer than 9 days at a single institution, and
- The international visitor other than a J-1 visa holder must not have accepted such payments from more than five institutions in the last 6-month period
- The International scholars under J-1 visa must have a written authorization from the school or research institution's responsible officer administering the J-1 exchange program

Visa Restrictions

Non-resident aliens invited for the purpose of carrying on usual academic activities, incidental to the University's normal academic functions, may enter the United States as a B-1 status (visitor for business), or VWB status (visitor for business- visa waiver).

Not all non-resident aliens are eligible to receive honoraria, due to immigration restrictions. Please consult with the Office of Global Engagement in advance of hosting a non-resident who is not in B-1, B-2, J-1 (Student or Non- student Visa) or VWB status.

Visa Type	Description	Honoraria Payment	Travel Reimbursement
B-1 or VWB	Visitor for Business	Yes	Yes
B-2 or VWT	Visitor for Pleasure	Yes	No*
J-1	Exchange Visitor	Yes	Yes**

* B-2s are not eligible for expense payments or reimbursements EXCEPT as incidental to honorarium activities. If a B-2 has no honorarium-covered purpose, travel expenses are not permitted.

** In order to pay a J-1 visitor sponsored by another University, you must obtain written permission from that school's "responsible officer."

Document/Visa Checklist	B-1 or VWB	B-2 or VWT	J-1
Letter of Invitation			
Honorarium Certification Statement			
Foreign Visitor Information Sheet			
I-94 and Visa			
Social Security Number and DS-2019 or IAP-66			
Employer Sponsor Authorization			
SS number or ITIN (if applicable)			
W-8BEN			

Please Note:

- All payments of honoraria to non-resident aliens who come to the University must be reported to the IRS on Form 1042-S.
- **All honoraria payments to non-resident aliens are taxable at a 30% rate, unless exempted by a tax treaty.**
- In order to claim a tax treaty exemption from tax withholding, the non-resident alien must be from a country, which has a treaty with the United States that has a teacher/researcher. The applicant must request an appointment by emailing Tax@stockton.edu in order to access eligibility.
- To claim treaty benefits, J-1's must have a Social Security Number (SSN) or must apply for one at the local Social Security Office and they must have permission from the Office of Global Engagement that sponsored their IAP-66 or DS-2019.
- If the visitor does not have an SSN or ITIN, prior to the request for payment, treaty benefits cannot be applied, and the payment shall be taxed at 30%.