




# National University of Health Sciences General Policies

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President				

## POLICY STATEMENT

National University of Health Sciences (NUHS) will not withhold taxes required by other states for non-resident employees.

### Procedures

**Non-Illinois Residents Who Do Not Teach In Illinois:** The University is not required to withhold Illinois income tax for those employees who do not reside in Illinois and who do not teach for the University in Illinois. Nonetheless, such wages may be subject to taxation in the state in which the services are rendered or in the state in which the employee resides. Although the University will not take any withholding, the individual employee in this category should be advised that they might be liable in either their home state or their employment state.

**Employees Who Reside in Illinois, But Who Perform Teaching Services in Both Illinois and Other States:** The University will withhold Illinois income tax for employees who perform out-of-state services which are "merely incidental" to the services which that person provides in Illinois.

**Faculty Members Who Reside in Illinois, But Who Perform Teaching Services Only in Other States:** Under these circumstances, none of this employee's compensation will be subject to Illinois withholding tax. However, the wages may be subject to withholding tax in the state in which the services are performed. Such employees should be so advised.

**Faculty Members Who Reside in a State Other Than Illinois, But Provide Services in Both Illinois and Other States:** Under these circumstances, the employee's compensation will be subject to Illinois withholding if the out-of-state services are "merely incidental" to those services provided in Illinois. If the services are not "merely incidental", the wages will be subject to Illinois withholding only if the employee's "base of operations" is in Illinois. Again, however, the employee will have to establish with the Illinois Department of Revenue that he/she is available for such an exemption. The employee must file form IL-W5 with the Illinois Department of Revenue.

**Faculty Members Residing in a State Other Than Illinois, But Who Provide Services Only in Illinois:** Under these circumstances, the entire amount of the employee's compensation will be subject to Illinois withholding unless the employee provides the University with proof that he/she has entered into a "reciprocal agreement" with another state. The employee must provide the University with a copy of the form IL-W5. Without evidence of the employee having filed IL-W5, the University will be required to withhold for the reciprocal state.