



The American-Scandinavian Foundation @ Scandinavia House 58 Park Avenue | New York | NY 10016

GUIDANCE FOR HOST TRAINERS

The American-Scandinavian Foundation (ASF), a non-profit organization founded in 1910, is dedicated to advancing cultural and educational exchange between the United States and the five Nordic countries. We welcome this opportunity to acquaint you with our Exchange Visitor Program for Training. As the trainee's visa sponsor, ASF is responsible to government authorities for assuring the propriety of the traineeship. We are here to provide support services for you and your trainee, and in this sheet we offer guidance on issues relevant to you as a prospective trainer. You may want to pass this sheet along to staff in personnel and payroll departments, as it contains important information on tax withholding, etc.

VISAS: ASF has been designated by the U.S. Department of State as a visa sponsor for young Scandinavians seeking on-the-job training in the U.S. Trainees obtain an Exchange Visitor (J-1) visa which allows them to train and receive income while in the U.S. The maximum duration for training under U.S. Government regulations is 18 months, after which trainees are expected to return home.

INCOME: The trainees are prepared to cover their travel expenses as well as any post-training expenses. As visa sponsor, ASF must assure that trainees receive income that is adequate to cover living and job-related expenses during the program. This will vary by geographic region and level of assignment, and we rely on trainers to determine the appropriate wages, which should be equal to what an American in a similar position would earn. Naturally, we would have to question a monthly income that seemed too low to meet realistic living expenses.

HOUSING/LOCAL ORIENTATION: While the trainees are self-sufficient and energetic young people, we, as well as they, appreciate any help you can extend with their local arrangements, such as housing, hospitality, or local transportation.

INSURANCE: ASF trainees are covered during their entire stay in the U.S. by a group sickness and accident insurance program. Coverage through this group plan or one with similar benefits is mandatory. A brochure describing the policy's benefits will be provided upon request. Each trainee will be instructed as to filing claims in a packet of material they will receive upon arrival.

Trainees should be enrolled in workers compensation and disability insurance programs. This is a requirement of the U.S. Department of State.

EMPLOYMENT ELIGIBILITY VERIFICATION: FORM I-9 As you would with any new "employee", you and your trainee will need to complete a Form I-9 for your records. You should ask to see the following documents and note the Form I-9 accordingly:

* *to establish identity* (List A on the Form I-9):

Trainee's passport -- vital statistics page

Form I-94 (Arrival/Departure Record) -- a white card stapled into the passport. It indicates immigration status (J-1) and authorized length of stay, which is noted as D/S for Duration of Status and means the trainee is authorized to train in the U.S. for the dates on his/her Form DS-2019.

* *to establish work eligibility* (List C on Form I-9):

Form DS-2019 -- Certificate of Eligibility for Exchange Visitor (J-1) Status issued by ASF

(over)

SOCIAL SECURITY AND FEDERAL UNEMPLOYMENT TAXES: Because trainees are admitted to the U.S. on an Exchange Visitor (J) visa under our program sponsorship for the purpose of practical training, no Social Security, Medicare or Federal Unemployment taxes should be withheld or paid. (Per IRS Code Section 3121 [b][19] and 3306 [c][19]).

However, trainees who receive income are required to obtain a Social Security Number for tax reporting purposes, for payroll or to open a bank account. They should apply for this number at your local Social Security office three business days after they send ASF their arrival report. When applying, the trainee should present his/her passport with relevant documents from ASF and INS and the "To Whom It May Concern" letter that ASF supplies to each trainee in a packet of information upon arrival in the U.S.

INCOME TAXES: Federal and, where applicable, State and City, income taxes should be withheld from the trainee's income, at the rate of a U.S. citizen with one personal exemption but with no standard deduction. Exchange Visitor Program participants are not able to claim the standard deduction.

When the trainee completes the IRS W-4 Form: *Employee's Withholding Allowance Certificate*, s/he may claim one personal exemption and in line 6 should enter an amount equal to \$7.60 times the number of weeks in each pay period. (For example, if employees are paid every two weeks, the trainee would enter \$15.20 on line 6.) This additional amount corrects for the standard deduction built into the tables used by employers to calculate tax withholding.

Trainees who have received income over \$3300 from a U.S. source during this tax year and/or have had tax withheld during this tax year will need to file an annual income tax return on Form 1040NR-EZ or Form 1040-NR next year. For this they will need a Form W-2. For further guidance, we refer to IRS Publication 515: "Withholding of Tax on Nonresident Aliens and Foreign Corporations."

Note: It is not appropriate to provide income to an Exchange Visitor trainee as a U.S. independent contractor and the trainee should not receive a Form1099 for services.

Generally, if there is a State and/or City income tax, the State/City Tax Guidelines follow Federal Tax statutes. We suggest you consult you State Tax Office to verify income tax guidelines for non-resident aliens admitted to the U.S. on an Exchange Visitor (J) visa. (Note: Trainees in New York City as non-resident aliens are exempt from city taxes but must pay state taxes.)

ASF ADMINISTRATIVE COSTS: Expenses connected with administering the training program are met through a program fee. Trainers are asked to pay a fee of \$100 per month, in advance or semi-annually. The minimum fee is \$400 for programs of four months or less. As a non-profit organization, we rely on this support to meet the costs of this valuable program.

EMERGENCIES/QUESTIONS: The Foundation stands ready to assist you with any questions or problems that develop during the training program. Please call or write to the Exchange Division, or send an email to: training@amscan.org.

ASF'S COOPERATING OFFICES IN SCANDINAVIA: All candidates for the program are screened by a cooperating office in Scandinavia. The names and addresses of these offices are listed on ASF's web site: <http://www.amscan.org/trscante.html#ASFsCooperating>