

General Information on Massachusetts Withholding for Visiting Lecturers, Performers and Others

General

Departments across Harvard University pay honoraria, other service payments and travel expenses, as well as reimbursing expenses, for visiting lecturers, speakers at symposia, performers (including actors, actresses, directors, musicians, and professional athletes) and others receiving related service payments. Each person or entity receiving an honorarium or other payment for these services has always been responsible for reporting and paying taxes owed in Massachusetts on this service income, whether or not a Massachusetts tax resident. Recipients of these payments are either entities or individuals, who are considered to be independent contractors with respect to the University.

Effective September 1, 2006, the University will now withhold Massachusetts income tax at 5.3% on such payments made to an individual or entity that has received payments aggregating to more than \$5,000 during the calendar year, from one or more University departments, for services that are subject to this tax. There are certain exceptions to the withholding requirements.

What Can the Lecturer/Performer Do?

The lecturer/performer can submit an application to the Massachusetts Department of Revenue (“DOR”) requesting either that: (i) withholding be waived (Form PWH-WW) [Massachusetts residents and others may file this form] or (ii) the amount subject to income tax withholding be reduced by related expenses (Form PWH-RW).

Each such form must be delivered by the lecturer/performer to the DOR **at least ten business days** prior to the starting date of the lecture, symposium, performance, event or other program.

These forms are available at:

- http://www.dor.state.ma.us/Forms/Wage_Rpt/PDFs/pwh_rw.pdf
- http://www.dor.state.ma.us/Forms/Wage_Rpt/PDFs/pwh_ww.pdf

If either the waiver or reduction of withholding is granted by the DOR, the DOR will notify the University directly. The University cannot adjust withholding based on the submission to the DOR of such an application by the lecturer or performer, but act only after receiving the document from the DOR showing DOR approval of the request. DOR approval is sent directly to the University. If the reduction or waiver of withholding is granted by the DOR and the individual or entity has already been paid for the work, the University will issue a refund to the individual or entity.

If you file for the waiver or reduction of withholding, please do so as soon as possible – we suggest at least 20 days prior to the event - but no later than 10 business days prior to the event. Please inform the event coordinators that you have filed for this waiver or reduction of withholding in order that your payment is processed correctly.

For Every Performer Harvard Will:

- Determine whether the lecturer/performer is receiving a payment for participating in a small event under the minimum dollar threshold for withholding. Payments can be exempt from withholding if the payment is made in connection with an event for which total gross payments to all lecturers, performers and performing entities, which are subject to withholding under these withholding requirements (excluding payments for which withholding has been waived), do not exceed \$10,000. An event can be a stand alone lecture or series of lectures, symposium, performance, event or program. Eligibility for this exemption is determined separately for each event and, if it applies, no taxes will be withheld for the particular event;
- Ask for an exception to withholding if the event is held outside Massachusetts.

Additional information may be found at
www.dor.state.ma.us/Publ/PDFs/performers.pdf or <http://www.dor.state.ma.us/>