

Massachusetts Withholding from Visiting Lecturers, Performers and Others Receiving Related Service Payments

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. Some payment recipients are Massachusetts residents for tax purposes, but many travel to Massachusetts to deliver lectures, speak on panels or participate in performances. 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. Nonetheless, whether the University pays an individual or an entity for such services, the University must now withhold Massachusetts income tax on such payments at 5.3%.

This withholding requirement only applies where the individual or entity 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:

- 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 and 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.
- 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 for a stand alone lecture or series of lectures, symposium, performance, event or program, as relevant
- Events outside Massachusetts

Department administrators can work with visiting lecturers or performers, who would like to pursue one of the exceptions described, so please contact the University department from which you anticipate receiving payments to discuss this further.

Contact person at the University department with whom lecturer / performer is working:

Name: _____ Phone: (617) _____