

## **PHILADELPHIA CITY WAGE TAX REFUNDS – FREQUENTLY ASKED QUESTIONS**

(Rev. 02/06/24)

### **Eligibility of Individuals to Claim a Refund**

#### **Q. Am I eligible to claim a Philadelphia City Wage Tax Refund?**

A. **Nonresidents** of Philadelphia who are **required to work outside of Philadelphia** and who had **Philadelphia City Wage Tax withheld** for the period they were required to work outside of Philadelphia may request a refund of Philadelphia wage taxes withheld for the period they were required to work outside of the City.

***Note that for any days worked outside Philadelphia, the employee may be liable for taxes in other jurisdictions within Pennsylvania or in another state. It is the employee's responsibility to determine whether they have any such liability, to file the appropriate tax forms, and to make any payments due to such jurisdictions.***

**Residents** of Philadelphia are subject to Philadelphia City Wage Tax withholding regardless of where they work. They are not eligible to claim a refund.

#### **Q. I am a resident of Philadelphia. Can I claim a refund of Philadelphia City Wage Taxes?**

A. Residents of Philadelphia are subject to Philadelphia City Wage tax withholding regardless of where they worked. They are not eligible to claim a refund.

#### **Q. I am a nonresident of Philadelphia. Can I claim a refund of Philadelphia City Wage Taxes?**

A. Nonresidents of Philadelphia who were **required to work** outside of Philadelphia may request a refund of Philadelphia City Wage Taxes withheld for those days.

***Note that for any days worked outside Philadelphia, the employee may be liable for taxes in other jurisdictions within Pennsylvania or in another state. It is the employee's responsibility to determine whether they have any such liability, to file the appropriate tax forms, and to make any payments due to such jurisdictions.***

#### **Q. I lived outside of Philadelphia for part of the year. Can I claim a refund of Philadelphia City Wage Taxes?**

A. Individuals who had a **permanent** change of residence into or out of Philadelphia, may claim a refund of Philadelphia City Wage Taxes withheld for days they both lived and **were required to work** outside of the Philadelphia and had Philadelphia City Wage Tax withheld.

***Note that for any days worked outside Philadelphia, the employee may be liable for taxes in other jurisdictions within Pennsylvania or in another state. It is the employee's responsibility to determine***

**whether they have any such liability, to file the appropriate tax forms, and to make any payments due to such jurisdictions.**

## **Eligible Time for Which a Claim can be Made**

### **Q. For what days can I claim a refund for on my Petition?**

A. Nonresidents of Philadelphia who were **required to work** outside the City and for which they had Philadelphia Wage Tax withheld are eligible to claim a refund. Days for which a refund **cannot** be claimed include:

- Paid time off (vacation, bereavement leave, jury duty, etc.)
- Sick time,
- Short- or long-term disability leave,
- Sabbatical leave,
- Time during which an individual is paid under a voluntary separation agreement.
- Days worked remotely under a remote work arrangement made for the convenience of the employee
  - Note however, that time worked remotely due to the University's suspension of operations due to COVID-19, *during which time employees were required to work remotely* are eligible for a refund. The University suspended on-campus operations due to COVID beginning March 16, 2020 and resumed on-campus operations on September 7, 2021.

### **Q. I was required to work remotely from home in 2021 due to the suspension of University on-campus operations related to the COVID-19 pandemic. Can I claim a refund of Philadelphia City Wage Taxes paid during that time?**

A. Nonresidents of Philadelphia who were required to work from home during the COVID-19 pandemic may claim a refund of Philadelphia City Wage taxes withheld during that period.

The City has made available a 2021 COVID EZ Wage Tax and 2022 COVID EZ Wage Tax Refund Petition. These forms may be completed if you were required to work remotely during these years due to COVID and had City Wage Tax withheld from your pay.

- Note that no Philadelphia City Wage Tax was withheld for nonresidents required to work outside the City from January 1, 2021 through September 6, 2021. The University resumed on-campus operations on September 7, 2021, at which time Philadelphia City Wage Tax was withheld for employees who had a Philadelphia work address.

### **Q. I am on Sabbatical leave and outside of Philadelphia while completing my Sabbatical. Can I request a refund of Philadelphia City Wage Taxes paid during my Sabbatical?**

A. Sabbatical leave is a benefit that is directly connected to your employment at Penn. As such, it is taxed based on your normal primary work location. If you normally would work on campus in

Philadelphia, you will be subject to Philadelphia City Wage Tax withholding while on Sabbatical and cannot claim a refund of these taxes for time spent on Sabbatical.

**Q. I am receiving payments under the Faculty Income Allowance Policy (FIAP). Can I request a refund of Philadelphia City Wage Taxes withheld from these payments?**

A. FIAP payments are a benefit that is directly connected to your employment at Penn. As such, it is taxed based on your normal primary work location during the time you earned the benefit. If you normally had worked on campus in Philadelphia, you will be subject to Philadelphia City Wage Tax withholding while receiving these payments and cannot claim a refund of these taxes.

**Q. I am receiving payments under a Voluntary Separation Agreement (VSA). Can I request a refund of Philadelphia City Wage Taxes withheld from these payments?**

A. Voluntary Separation Agreement payments are a benefit that is directly connected to your employment at Penn. As such, it is taxed based on your normal primary work location. If you normally would work on campus in Philadelphia, you will be subject to Philadelphia City Wage Tax withholding while receiving these payments and cannot claim a refund of these taxes.

**Q. I was working remotely at home due to the University's suspension of operations related to COVID-19 when I entered into a Voluntary Separation Agreement (VSA). Can I request a refund of Philadelphia City Wage Taxes withheld from payments under the VSA?**

A. Voluntary Separation Agreement payments are a benefit that is directly connected to your employment at Penn. As such, it is taxed based on your normal primary work location. If you normally would work on campus in Philadelphia, you will be subject to Philadelphia City Wage Tax withholding while receiving these payments and cannot claim a refund of these taxes.

Remote working required by the suspension of University operations due to COVID-19 is temporary in nature and does not impact your normal primary work location for this benefit.

## **[Requesting a Refund](#)**

**Q. How do I claim a Refund?**

### **[2023 Wage Tax Refund Petition](#)**

As in previous years, employees who are required to work at various times outside of Philadelphia within a calendar year and who are *non-residents of Philadelphia*, may file for a wage tax refund claim directly with the City of Philadelphia. This [form](#) should be used for time worked outside of the City. The completed petition form must include the following:

- 2022 W-2 showing Federal, Medicare, State, and Local wages
- Statement of dates worked outside the City of Philadelphia signed by both the employee and the employer
- Signatures from both the employee and the employer (not required if filing on-line).

[Guidance](#) for supervisors who must sign the employee's petition is available on the Division of Finance website.

**Beginning January 1, 2024, the Covid EZ Wage refund petition will not be available. Taxpayers will NOT be able to file a tax year 2023 Covid EZ refund petition. You will need to file an employee wage refund petition and include all required documentation.**

### **2022 COVID EZ Wage Tax Refund Petition**

*Non-residents of Philadelphia* may claim a refund of Philadelphia City Wage tax withheld for days they were required to work remotely outside of the City and had Philadelphia wage taxes withheld. To claim a refund, individuals must:

- Complete the form in accordance with the instructions.
  - Both the employee and their supervisor must sign the form if a [paper form](#) is submitted.
  - If the form is submitted [online](#), only the letter from the employer needs to be included.
- Attach a letter from the employer on company letterhead with the dates you were required to work remotely due to COVID-19. The University resumed on-campus operations on September 7, 2021.
- Attach a copy of your 2022 W-2 indicating Federal, Medicare, State, and Local wages.

### **2022 Wage Tax refund Petition**

As in previous years, employees who are required to work at various times outside of Philadelphia within a calendar year and who are *non-residents of Philadelphia*, may file for a wage tax refund claim directly with the City of Philadelphia. This [form](#) should be used for time worked outside of the City not related to COVID. The completed petition form must include the following:

- 2022 W-2 showing Federal, Medicare, State, and Local wages
- Statement of dates worked outside the City of Philadelphia signed by both the employee and the employer
- Signatures from both the employee and the employer (not required if filing on-line).

[Guidance](#) for supervisors who must sign the employee's petition is available on the Division of Finance website.

### **2021 COVID EZ Wage Tax Refund Petition**

*Non-residents of Philadelphia* may claim a refund of Philadelphia City Wage tax withheld for days they were required to work remotely outside of the City and had Philadelphia wage taxes withheld. To claim a refund, individuals must:

- Complete the form in accordance with the instructions.
  - Both the employee and their supervisor must sign the form if a [paper form](#) is submitted.
  - If the form is submitted [online](#), only the letter from the employer needs to be included.
- Attach a letter from the employer on company letterhead with the dates you were required to work remotely due to COVID-19. Note that nonresident employees who were required to work remotely outside of Philadelphia should have had their work addresses updated in Workday so that no Philadelphia wage taxes were withheld from January 1, 2021 through September 6, 2021. The University resumed on-campus operations on September 7, 2021, at which time work addresses were updated to on-campus addresses and withholding of Philadelphia City Wage Tax was resumed.
- Attach a copy of your 2021 W-2 indicating Federal, Medicare, State, and Local wages.

### **2021 Wage Tax refund Petition**

As in previous years, employees who are required to work at various times outside of Philadelphia within a calendar year and who are *non-residents of Philadelphia*, may file for a wage tax refund claim directly with the City of Philadelphia. This [form](#) should be used for time worked outside of the City not related to COVID. The completed petition form must include the following:

- 2021 W-2 showing Federal, Medicare, State, and Local wages
- Statement of dates worked outside the City of Philadelphia signed by both the employee and the employer
- Signatures from both the employee and the employer (not required if filing on-line).

[Guidance](#) for supervisors who must sign the employee's petition is available on the Division of Finance website.

#### **Q. How do I complete the refund form?**

A. Follow the instructions outlined on each form. The University cannot assist individuals in completing the form.

#### **Q. What documentation do I need to attach to my refund petition form?**

A. The documentation required to be attached to your refund petition depends on what form you are filing.

### **Wage Tax Refund Petition (2021, 2022, and 2023)**

- Complete the form in accordance with the instructions. The form requires signatures from both the employee and the employer (usually the employee's supervisor)

- W-2 for which the year the refund is being requested showing Federal, Medicare, State, and Local wages
- Statement of dates worked outside the City of Philadelphia signed by both the employee and the employer (usually the employee’s supervisor). Signatures are not required for on-line forms.

### **COVID EZ Wage Tax Refund Petition (2021 and 2022)**

- Complete the form in accordance with the instructions.
  - Both the employee and their supervisor must sign the form if a [paper form](#) is submitted.
  - If the form is submitted [online](#), only the letter from the employer needs to be included.
- Statement of dates worked outside the City of Philadelphia signed by both the employee and the employer (usually the employee’s supervisor). Signatures are not required for on-line forms.
  - Note that the for the period from January 1, 2021 through September 6, 2021, work addresses for Philadelphia nonresidents who were required to work remotely were updated in Workday to reflect the individuals home address so that Philadelphia City Wage tax was not withheld. You are not eligible to receive a refund of City Wage Tax for this period if no such tax was withheld from your pay.
- W-2 for which the year the refund is being requested showing Federal, Medicare, State, and Local wages

**Q. My form requires a signature from my employer. Who should I have sign the form?**

A. The form should be signed by the employee’s supervisor or someone in the School/Center who has knowledge of the time the employee worked outside of the City. Additional [guidance for supervisors](#) is available on the Division of Finance website. The Payroll Office cannot sign these forms.

**Q. My form requires my employer’s EIN and Address. Where do I get this information?**

A. The University’s EIN and address are located on your Form W-2 in Boxes b and c, respectively.

**Q. I am a nonresident of Philadelphia and was required to work remotely from home due to the suspension of operations related to COVID-19; however, my work address was not updated and I continued to have Philadelphia City Wage taxes withheld. Who should sign the letter indicating I was required to work remotely?**

A. If you a non-resident of Philadelphia who worked remotely from home due to the University’s suspension of operations related to COVID-19 and whose work address was not updated to your home address effective June 1, 2020, you can file for a refund for the period from January 1, 2021 through September 6, 2021, when the University resumed normal operations. However, you will need your department to provide a signed letter indicating you were required to work remotely due to a

suspension of operations and also indicating the time period(s) you were required to work remotely for this reason.