

Philadelphia City Wage Tax Refund Petition Guidance for Supervisors

All Philadelphia residents must pay Philadelphia City Wage Tax.

For nonresidents of Philadelphia, the Wage tax applies to compensation for work or services performed in the City and for work performed outside the City for personal reasons.

- If Penn requires a nonresident individual to work outside the City, those wages are not subject to the Wage tax, i.e., the individual is working outside of the City for the “convenience of the employer”.
- If a nonresident employee requests to work remotely for their convenience, wages are subject to the Wage Tax.

Employees who are required to work at various times outside of Philadelphia within a calendar year and who are nonresidents of Philadelphia, may file for a wage tax refund claim directly with the City of Philadelphia. The completed petition form must include the following:

- W-2 showing Federal, State, Medicare and Local wages
- Statement of dates worked outside the City of Philadelphia on University letterhead signed by both the employee and the employer (see item #3 below for details)
- Signatures from both the employee and the employer (not required for electronic filing)

Any refund claim must be filed within three (3) years from the date the tax was paid or due, whichever date is later.

Below is guidance to assist the supervisor (Dean, Chairperson, Director, or Business Administrator) responsible for signing the claim.

The individual signing the form (the employee’s supervisor or manager) should:

1. Have an understanding of the following conditions under which an employer must deduct the City wage tax:
 - all compensation paid to nonresident employees for activities in the City of Philadelphia,
 - all compensation paid to resident employees of the City of Philadelphia regardless of the place where the services are performed
2. Inform the employee:
 - *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 he/she has any such liability, to file the appropriate tax forms, and to make any payments due to such other jurisdictions.*
 - *If the employee is working a hybrid schedule and is required to come into the office for any days, the employee is subject to City Wage Tax for the days they are required to work in the office. Additionally, because the policy allows the employee to come in to the office as often as they would like (i.e., they have the option to work from home at their convenience), the employee is also subject to Wage Tax for the days worked from home and is ineligible to claim*

a refund for any days working remotely outside the City as part of the hybrid schedule (refer to example 5 of the City's "[Philadelphia Wage Tax policy guidance for non-resident employees in the era of remote work](#)" issued October 12, 2023).

3. Have complete knowledge of where the individual is performing services on behalf of the University of Pennsylvania and the overall benefit of the work to the University
 - *Request a statement (preferably a Word Document) on Department letterhead from each employee submitting a claim to support time outside the City. The statement (Employer Certification) must be included by the employee when submitting the form and should include the following:*
 - **Residence** - Your domicile outside Philadelphia should be established clearly. List your present residence and your residence at all times during the year. If you have never lived in Philadelphia, specifically state that. If at one time you lived in Philadelphia, give sufficient information to demonstrate either that your living in Philadelphia was temporary—so that you never became a domiciliary of Philadelphia—or that if you once were a domiciliary of Philadelphia, that you have since left Philadelphia, intending to abandon Philadelphia as your residence.
 - **Job Description** - Describe your job position and general duties at the University. Describe in particular those duties requiring travel, indicating the reasons why travel is necessary.
 - **Detailed List of Dates** - For each date on which services were performed outside Philadelphia, state the location and specific nature of the work performed and, to the maximum extent possible, the reasons why this work could not be performed in Philadelphia.
 - DO NOT include non-work days. Non-work days include Saturdays, Sundays, vacation, holidays, leave, sick days, sabbatical, FIAP, etc. Any days you do not work are not exempt from the City tax, unless you were required to work on weekends.
 - If you have only a nine-month academic appointment, you may only claim a refund for days worked outside Philadelphia during the academic year, even though your salary is paid over twelve months. If you also have an additional summer salary from the University, then you may claim a refund for the entire year.
 - If the University has requested an individual work remotely for a reason, such as closure due to COVID, the Wage Tax does not apply to your compensation. Note that for the period from July 2020 through August 2021, the University did not withhold City Wage Tax for nonresidents required to work remotely due to the depopulation of campus related to COVID and you cannot claim a refund for these dates.
 - If the University has presented you with the option to work remotely and you have elected to do so, **the Wage Tax applies to all compensation regardless of where it is performed.**

- **Expense Reimbursements** - If the University reimbursed you for your travel expenses, state that this is the case, since this helps to demonstrate that the University considered the trip essential to your job.
- **Benefit to the University** - Specific benefit to the University should be stated. For example, if a paper was published as the result of research work that should be stated, together with a statement indicating that such papers enhance the reputation of the University. Similarly, if you attended a workshop or performed research which you were able to utilize in your teaching functions, that should be similarly stated in as much detail as possible.
- **Other Useful Information** - Set forth any other information which helps to substantiate the claim that you were required by the University to work outside Philadelphia.
- **Specific statement** – Employee should state that he/she was not separately compensated by another organization or individual for any of the days on which the refund claim is based. If the employee did receive additional compensation from other sources, a list of those dates should be included. Even reimbursement of expenses by other sources should be disclosed.

4. Wage Tax Refund Petition completed by the employee

- On-line application forms with instructions are available on the City's website at <https://tax-services.phila.gov/#1>
- Recognized holidays can be found on the Department of Human Resource website at <https://www.hr.upenn.edu/policies-and-procedures/policy-manual/time-off/holidays>