What Internationals Should Know Before Opening a Bank Account

SAVINGS OR CHECKING ACCOUNT?

Checking accounts allow you to deposit and withdraw money frequently and are a great way to pay your monthly bills. When you open a checking account is usually comes with checks and a bank card and allows you to use them to make purchases and pay bills. Often there are minimum monthly balances and service fees which varies by the type of account you open.

Savings accounts are for long term deposits for earning interest. The interests, minimum balances, service fees vary from bank to bank. It also depends on the amount of money you deposit. Savings accounts are not for immediate use of the funds.

ATM (Automated Teller Machines) Usually banks will not charge extra fees when you are using your bank's ATM. When you use an ATM in a store or at other banks, you may be charged an extra transaction fee.

INTEREST FROM U.S. BANK ACCOUNTS

Income unconnected to U.S. trade or business is excluded from taxable income if the primary purpose of opening the account(s) was to transfer funds from your home country to pay for expenses while here as a student or scholar. This includes income from—

1) Deposits, including certificates of deposit, with persons in the banking business;
2) Deposits or accounts from which withdrawals can be made—e.g., mutual savings banks, credit unions, domestic building and loan associations, and other savings institutions; and
3) Amounts held by insurance companies under agreements to pay interest.

If investments were made to earn money - e.g., interest, dividends, and capital gains on investments in stocks via mutual funds or directly—they may be taxable. The general tax rate on such earnings is 30%, unless reduced by a U.S. tax treaty.

MAKE YOUR LIFE EASY : **DO THE FOLLOWING!**

SUBMIT FORM W-8BEN TO YOUR BANK

Form W-8BEN is also called the Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. This form certifies that the sole purpose of opening a bank account is to transfer funds to support your stay as a non-resident—not for any business purposes. Filling out the W-8BEN now means you will have a much easier time doing tax returns and you might decrease your tax liability for the following spring.

FILE TAXES EACH APRIL

The federal, state and city government authorities charged with collecting taxes consider **interest** to be income. You will have to report interest in your **tax returns** in the spring following the year in which it was earned. For more information visit www.irs.gov.

International Student Services
79th Fifth Avenue, 5th Floor New York, NY 10003 Phone (212) 229-5592 Fax (212) 229-8992
150 West 85th Street, Lobby New York, NY 10024 Phone (212) 580-0210 Fax (212) 580-1738
ISS@NewSchool.edu
ISS © June, 2009

OPENING A BANK ACCOUNT

When researching local branches, internationals should inquire about their specific requirements for opening a new account. Examples of requirements for some of the banks listed here have been provided for your convenience. ISS strongly recommends you research the kind of account you want, as well as the bank locations, and use this as a general guide.

Internationals should inquire about the bank's specific requirements for opening a new account.

The following are <u>commonly requested</u> documents to open an account.

- Passport
- Enrollment verification letter on The New School Letterhead showing the local address
- A second piece of individual identification
- Recognized credit card (this may be issued in the home country)
- Foreign Driver's License
- Bank issued debit card
- A school ID
- A voter registration card
- Proof of residency in the United States (documents that show your address in the United States. e.g., utility bills, apartment contract...)

Many banks will ask for a Social Security Number (SSN) to open an account. If you do not have a SSN simply inform the bank of your F-1 or J-1 visa status and they will explain what other forms of identification you may need. Likely, you will be asked to show one of the items listed above.

CITIBANK	79 Fifth Avenue (at 16th St)	(212) 242-5865
TD BANK	717 Ave. of the Americas (6th Ave)	(646) 336-1132
	90 Fifth Avenue (at 14th St)	(212) 381-7900
HSBC	769 Broadway (at 9th St)	(800)975-4722
	10 Union Square East (at 16th St)	(800)975-4722
AMALGAMATED BANK	10 E 14th Street (at Union Sq West)	(212) 245-6200
BANK OF AMERICA	116 Fifth Avenue (at 17th St)	(800) 841-4000
	345 Park Avenue South (at 25th St)	(800) 841-4000
CHASE	32 University Place (at 9th St)	(212) 533-0554
	69 Fifth Avenue (at 14th St)	(212) 255-8121

International Student Services
79th Fifth Avenue, 5th Floor New York, NY 10003 Phone (212) 229-5592 Fax (212) 229-8992
150 West 85th Street, Lobby New York, NY 10024 Phone (212) 580-0210 Fax (212) 580-1738
ISS@NewSchool.edu
ISS © June, 2009