

2026 Income Tax Reimbursement Procedures

Navigating U.S. Tax Reimbursement Process for UN Staff

Objective

To Familiarize Staff With UN Tax Reimbursement Procedures.

This presentation is NOT intended to replace the Information Circular ST/IC/2026/1

Outline of Presentation

Introduction & Foundations

Eligibility & Deadlines

Terminology & Cycles

Earnings & Social Security

Statements & Support Services

Filing & Settlement

Key Changes in 2026

❑ Social Security Wage base:

- Increased to **\$176,100 for 2025** and **\$184,500 for the 2026 Tax year.**

❑ Foreign Earned Income Exclusion:

- Increased to **\$130,000 for 2025** and **\$132,900 for 2026 tax year.**

❑ Individual EFTPS enrollment has been discontinued

Role of the Income Tax Unit (ITU)

□ Scope:

- Serves over 7,500 staff across 31 UN agencies (UN, UNDP, UNICEF, WHO, UNHCR, UNOPS, UNFPA, PAHO, etc.) in respect of US income tax obligations

□ Primary Functions:

- Issues statements of taxable earnings (STE),
- Processes tax advances and tax reimbursement claims,
- Provides information related to UN taxable earnings and reimbursements procedures.

ITU Prohibited Activities & Scope of work

❑ **Tax Advice:** ITU is prohibited from providing personal tax advice or preparing tax returns for staff members.

❑ **Private Guidance:**

- ITU staff cannot provide tax guidance regarding investments, capital gains, or losses. We advise that you consult your accountant for tax return filing.
- ITU Staff communicate with UN Staff Members not with Tax Preparers.

ITU Prohibited Activities & Scope of work (cont.)

- Tax Authorities:** ITU cannot contact tax authorities (IRS or State) on your behalf.
- CPA Recommendations:** ITU does not recommend or endorse any specific Tax Preparers or CPAs.

2026 Critical Deadlines

Status	Submission to ITU*	IRS & State Tax Filing	IRS & State Tax Payment
Staff Working in the USA	3 March 2026	15 April 2026	15 April 2026
Staff Working outside USA	1 April 2026	15 June 2026**	15 April 2026

** Submission of complete, correct and signed return*

*** Reflects automatic 2 months extension*

Automatic 2-month Extension

❑ **Qualification:** You are living outside the US on **15 April 2026**.

❑ **Action Required:** To use the automatic 2-month extension, attach a statement to your return declaring your overseas status.

➤ **For example:** *“I declare that I am a U.S. citizen (or permanent resident), AND on April 15, 2026, I am living outside of the United States and Puerto Rico, AND my main place of business or post of duty is outside of the United States and Puerto Rico. I am therefore allowed an automatic 2-month extension to file my tax returns until June 15, 2026.”*

Who is Subject to U.S. Taxes?

- ❑ **US Citizens:** Liable regardless of your official UN nationality.
- ❑ **US Permanent Residents:** Only if you have signed the Waiver of Privileges & Immunities.
 - See ST/IC/2004/31 for more details

The Waiver of Privileges and Immunities

□ Requirement:

- Applies to US Permanent residents
- Must obtain written HR approval before signing
- Waiver must be signed in the presence of your HR or Administrative staff

□ When:

Within 10 days of

- Receiving a Green Card, or
- Effective Date of Employment with the UN
(whichever is later of the 2)

- **NOTE:** US Permanent residents who do not sign the waiver are **ineligible** for UN tax reimbursements.

Background: The Reimbursement System

□ US Tax Laws

- UN staff who are liable for US income taxes must pay and file tax returns in accordance with US tax laws.

Coverage: Includes Federal, State, Local, and the Self-Employment (SE) tax.

□ Tax Reimbursement System:

Purpose: To ensure equality among staff by reimbursing

- taxes payable on UN earnings.
- the Employer portion of SE tax

Understanding Staff Assessment

□ What it is:

- The difference between gross and net salaries.
- The deduction is made regardless of a staff member's nationality or tax status


□ What it is not:

- It is **not** a withholding tax
- It is **not** related to the actual US income tax payable by an individual.
- It **cannot** be reimbursed to staff members under any circumstances.
- It **cannot** be claimed as a deduction on US tax returns.

Key Terminology

- ❑ **Tax Settlement:** The final reimbursement calculated after your tax return is submitted to the ITU.
- ❑ **Tax Advance:** Estimated income tax payments made quarterly to the tax authorities within the tax year.
- ❑ **Statement of Taxable Earnings (STE):** The official UN document reporting your UN taxable income to the IRS.

The UN Tax Reimbursements Cycle

- 1. Request Advances:** New/eligible U.S. staff members submits UN Form F.65 and (if necessary) attaches the respective Personnel Action Form.
 - 2. ITU issues Advances:** ITU calculates and issues quarterly advance payments to tax authorities and sends statements of Tax Advances to staff members via e-mail.
 - 3. STE Issuance:** ITU calculates annual UN earnings and emails STEs by the end of January.
 - 4. Final Settlement:**
 - Staff members submit signed tax returns, UN forms F.65, F.65A (if applicable) and signed IRS form 4506-C to ITU.
 - ITU calculates and issues tax settlement balances and sends statements to staff members by email
- 

Requesting Estimated Tax Advances

❑ Requirement:

- By law, staff must pay quarterly estimated taxes to tax authorities
- 90% of current year (2026) or 100% of previous year tax liabilities.

❑ **ITU Role:** ITU calculates and pays these estimates for Federal, NY State/NY City, DC, MD or VA income tax liabilities, and SE taxes.

❑ **Staff Responsibility:** Staff members are responsible for paying to the IRS their share of the SE tax on a quarterly basis.

Requesting Estimated Tax Advances (Cont'd)

☐ Eligibility:

- Staff members having ≥ 6 months contract with UN.
- Staff members on WAE contracts are **ineligible**.

☐ ITU will reimburse taxes, interest and penalties, if applicable for those ineligible for advances.

Requesting Estimated Tax Advances (Cont'd)

❑ You must inform ITU immediately upon:

- Employment or Reappointment
- Separation or Special leave without pay
- Significant changes in UN or non-UN earnings
- Movement between UN organizations
- Break in service (as this will cause the cessation of tax advances)
- Leaving for or Returning from overseas assignment
- Signing the waiver (US permanent resident)
- Shifts in visa status (e.g., becoming US citizen, G-4 visa holder)

Reporting UN Earnings (Form 1040)



For income tax purposes, UN earnings are considered wages, **not** business income.



Always report earnings on Line 1a of Form 1040; **do not use Schedule C.**

Social Security & Medicare (Self-Employment) Tax

Who is liable for SE taxes?

U.S. citizens working in the U.S. are liable for SE tax on UN earnings.

UN reimburses **50% of the SE Tax** (the employer's portion) same as any US employer.

Self-Employment Tax (Cont.)

For the tax year 2025 the SE tax percentage is as follows		United Nations	Staff Member
	Social security	6.20%	6.20%
	Medicare	1.45%	1.45%
	Total	7.65%	7.65%

SE Tax Exemptions

□ Exempt Staff:

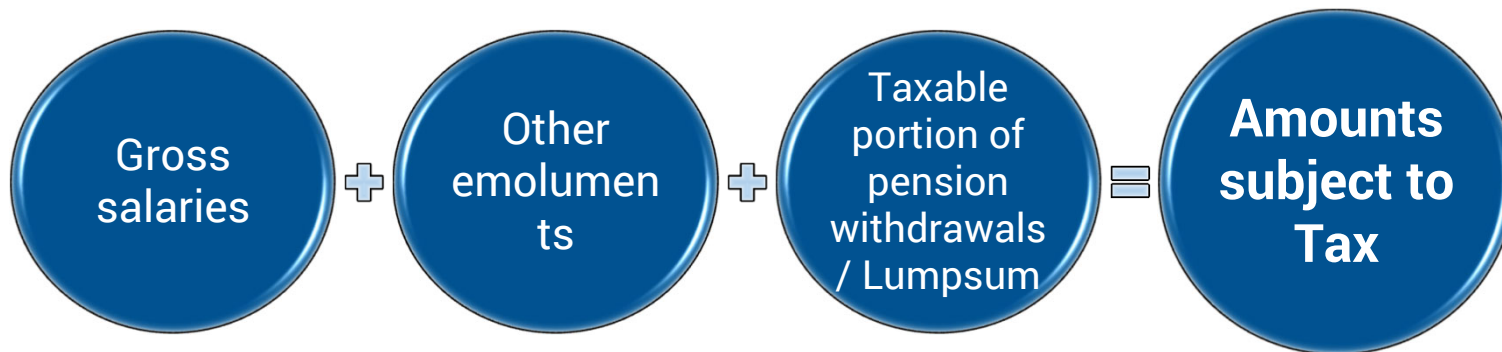
- All US Permanent Residents serving anywhere in the world
- US citizens working overseas (only for the period served outside of the US)

The Electronic Federal Tax Payment System (EFTPS)

- ❑ IRS terminated all enrollments to EFTPS on October 17, 2025;
- ❑ IRS will require all individuals to transition off EFTPS later in June 2026.
- ❑ IRS recommends IRS Online Account or IRS Direct Pay for individual tax payments.
- ❑ ITU continues to send quarterly advances, including the UN's share of SE tax and final settlement payments through EFTPS to IRS.
- ❑ ITU awaits further instructions from IRS regarding the EFTPS complete shutdown.
- ❑ Because ITU processes US tax payments for thousands of staff, taxpayers who are not enrolled in EFTPS or IRS online account, create operational risks.

Statement of Taxable Earnings (STE) Breakdown

- ❑ 2025 STEs have been distributed to US taxpaying staff members.
- ❑ The amounts on your STE have already been reported to the IRS.



- ❑ Refer to the article [*Which Earnings Are Taxable?*](#) on the ITU website
- ❑ Include the STE to the income tax returns filed with the tax authorities.

Resolving Missing or Incorrect STEs

❑ Common Causes:

- Missing or incorrect nationality or visa status on Personnel Action
- Incorrect e-mail and/or mailing address
- Recent changes in agency/duty station.

❑ **Action:** Contact ITU immediately if you didn't receive your STE or if your STE shows incorrect information.

ITU Website



URL: <https://tax.un.org>

- Announcements and other important information on ITU procedures
- Frequently asked questions
- Training Course on the UN Tax reimbursement procedures.
- Links to Tax authorities' websites
- Past Tax Briefings and resources
- Visit the Contact Us page

The UN Tax Portal



URL: <https://taxportal.un.org>

- The preferred and most secure method for submission.
- Documents must be in **PDF format** (up to 19.5 MB)
- Enter tax returns data
- Helps expedite the reimbursement process
- View the status of your reimbursement

- **Note:** Data entry alone is **not** a submission. You must upload your complete tax return documents.

Tax Portal

UNITED NATIONS Income Tax Unit [Sign out](#)

Welcome, [redacted]
[redacted]@un.org

Confirm Your Identity


Security Verification: Please enter your UN Index Number and the last 4 digits of your SSN to access the tax portal.

UN Index Number:
Enter your UN Index Number

Your unique UN staff identification number

Last 4 Digits of SSN:
....

For security verification purposes only


Security Verification:
 I am human 






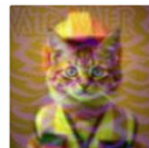
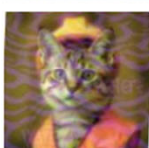


Please complete the security challenge above

[Verify & Access Portal](#)

[Cancel & Sign Out](#)

Choose animals that live in similar places as the sample animal



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[Refresh](#) [hCaptcha](#) [Skip](#)

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Client Support Channels



- **TaxAsk:** Submit tickets via the website.
- **TaxMeet:** Book one-on-one virtual meetings.
- **In-Person:** Available every Wednesday and Thursday (1 pm–4pm) at the FF Building, 304 E 45th St, NY. (Closed March/April).
- **For more information:** Visit the [Contact Us](#) page on the ITU website

Best Practices

- ❑ Visit the ITU website before submitting an inquiry.
- ❑ Plan and don't wait until the last minute to submit time-sensitive tickets, e.g., getting access to the portal.
- ❑ Read the Tax portal user manual before using the portal
- ❑ Inform ITU if your email, address or bank account changes.

Don'ts

- ❑ Sending multiple follow-up emails in short periods of time
- ❑ Sending emails to multiples emails addresses
- ❑ Making multiple bookings/tickets for the same issue
- ❑ Not showing up for a booked meeting
- ❑ Booking the wrong expert on Tax Meet
- ❑ Submitting unclear documents, e.g. screenshots or poorly scanned
- ❑ Contacting ITU staff via MS Teams without a scheduled appointment

Filing requirements

□ Filing Documents (The Checklist)

To receive reimbursement, your tax claim must include:

- **IRS Form 4506-C:** Consent form for the IRS to disclose return information to the UN for compliance purposes.
- **Form F.65:** Request for settlement.
- **Form F.65-A:** Only for staff serving overseas.
- **UN Statement of Taxable Earnings (STE).**
- **Proof of Payment:** Required only if you have already paid the balance due yourself.
- **Signed Tax Returns:** Full copies of Federal and State returns.

Filing requirements (cont'd)

□ Submission:

- To receive reimbursement from the UN before the 15 April 2026, Submit a complete, accurate and signed tax claim by **3 March 2026**.
- Your claim must be submitted as a PDF file upload through the Taxportal.
- In-person submission or by physical mail are strongly discouraged.
- Your tax return is subject to verification by the UN.

Filing requirements (cont'd)

☐ Completing Form 4506-C:

- **Manual Signature:** Electronic signatures are **strictly prohibited**; Sign manually (scanned copy of physical signature is accepted).
- **Matching Info:** The address and SSN must match your Form 1040 exactly.
- **Joint Filers:** Both spouses must provide information (including name and SSN) and sign.

Filing requirements (cont'd)

☐ Completing Form 4506-C (cont'd):

- Pre-populated form is available on [ITU Website](#) and will also be sent to you by email (**Do not pick form from IRS or any other website**).
- In 5.b, please write your UN Index Number.
- Under signature section do not cross (X) any boxes.

Avoiding Claim Rejections

❑ Avoid the following common mistakes:

- Missing signatures or incomplete tax returns/UN forms
- Incorrect calculations on tax returns and mathematical errors.
- Failure to notify ITU of agency or duty station change
- Incorrect e-mail or mailing address
- Failure to provide a memorandum explaining why a child or secondary dependent is not claimed while receiving a dependency allowance.
- Failure to provide a memorandum explaining the decision not to file jointly despite receiving a spousal allowance.

Calculation of Reimbursable of Taxes

□ Logic:

- Settlement = (Tax with UN Income) - (Tax without UN Income).
- See Information Circular para. 26 – 27 of the latest ST/IC.

□ The reimbursement cannot exceed the actual income taxes payable to the tax authorities

□ If UN 2025 tax liability > 2025 advances,

- UN will reimburse by wire transfer or cheques payable to tax authorities

□ If UN 2025 tax liability < 2025 advances,

- There is UN overpayment which will be recovered from 2026 advances (discussed later)

Calculation of Reimbursable Taxes (cont'd)

Additional payment due	
Actual tax reimbursable by UN for 2025	\$16,000
<i>less</i> Tax Advances paid by UN for 2025	\$15,000
Reimbursable Balance	\$1,000

☐ Case #1: Settlement

- You will receive a tax settlement payment of \$1,000 by cheque or wire transfer to the tax authority.
- Mail the cheque to the appropriate tax authority upon receipt.

- **NOTE:** If you have paid the balance due already, return the UN cheque and a copy of your proof of payment to ITU for re-issuance to your name.

Calculation of Reimbursable of Taxes (cont'd)

Overpayment of Taxes

Actual tax reimbursable by UN for 2025	\$16,000
<i>less</i> Tax Advances paid by UN for 2025	\$18,000
Overpayment by UN	(\$2,000)

□ Case #2: Overpayment

- There is an overpayment of **\$2,000** by UN on reimbursable taxes.
- The overpayment will be carried forward to tax year 2026 as a tax advance for 2026

Calculation of Reimbursable Taxes (cont'd)

□ Case #2: Overpayment (cont'd)

- **Recommended action:** Active staff member should apply UN overpayment amount to 2026 estimated tax
 - Use Form 1040, line 36 (Federal)
 - Use Form IT-201, line 79 or IT-203, line 69 (NY state)

- **Substantial overpayment:** In case of a large overpayment for active staff or any overpayments involving separated staff, a refund request should be submitted to the tax authorities, and the funds should be returned to the UN.

Consequences of Late Submission

- ❑ **What happens if you submit your tax claim after the deadline?**
 - The UN will not be responsible for any penalties or interest imposed by tax authorities.
 - UN tax advance payments for 2026 will be delayed.
 - If the tax claim is not submitted by 15 October 2026, the 2025 tax advances will be recovered through salary deductions.

Settlement of Taxes

- ❑ For states other than NY, settlement payments are made via direct bank transfer to staff members' accounts.
- ❑ **Note:** NY State does not accept direct deposits for settlements. Settlement cheques will be mailed to staff members, who are responsible for remitting payment to NY State.
- ❑ If a tax claim is rejected due to missing or incorrect information, staff members should respond promptly in accordance with the rejection letter to expedite processing of the claim.

Tax Obligations

□ What you should know:

- Staff Members are responsible for additional 0.9% Medicare Tax and 3.8% Net Investment Income Tax, if any.
- **Spousal Benefits & Filing:** If you receive a spousal allowance or benefit, you are required to file a joint tax return unless legally prohibited from doing so.
- **Claiming Dependents:** If you receive a dependency allowance, all dependents must be claimed on your tax return (unless you provide a written justification for not doing so).
- **Filing Separately:** You may choose to file separately only if you do not receive a spousal allowance or benefit.

Tax Obligations (cont'd)

- ❑ **Minimize Liability:** To reduce the financial burden on the Tax Equalization Fund (overseen by the Secretary-General) and other voluntary funds, staff members claiming reimbursement must minimize their personal tax liability.
 - ❑ **Optimization of Deductions:** You are required to use whichever provides the greater benefit: the standard deduction or itemized deductions.
 - ❑ **Married Staff Taxpayers:** Joint filing is mandatory if both spouses work for the UN and are both US taxpayers.
 - ❑ **Full Utilization of Credits:** Staff must claim all available tax credits, exemptions, and income adjustments.
- For More Information, see [ST/IC/2026/1 – Page 7 - Section C, Paragraph 12](#)

Spouse with G4 Visa

□ If your spouse holds a G4 visa:

- You are permitted to use the "married filing jointly" status, provided your spouse possesses a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN).
- Importantly, any income your spouse earns directly from the U.N. while on a G4 visa is not subject to U.S. income tax.
- Refer to IRS Publication 519 "US Tax Guide for Aliens" for further information.

Interest & Penalties

- ❑ **UN will NOT pay any late filing penalties under ANY circumstances.**
- ❑ **UN will only reimburse interest/penalty for late/underpayment:**
 - Due to delays/incorrect information acknowledged as UN's responsibility
 - For staff members serving overseas (up to 15 June filing deadline)
 - Underpayment of tax advances by UN:
 - Contract < 6 Months
 - WAE (When Actually Employed) contract
 - Separated Staff for whom advance were not paid

Foreign Earned Income Exclusion (FEIE)

□ How to Qualify?

Bona Fide Residency Test	Physical Presence Test
<ul style="list-style-type: none">➤ Requires residency in a foreign country or countries for an uninterrupted period that includes an entire tax year (January 1 to December 31).	<ul style="list-style-type: none">➤ Requires being physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months including some part of the year at issue.➤ The 330 qualifying days do not have to be consecutive.

2025 FEIE Limits

- ❑ **2025 tax year, the maximum exclusion is \$130,000 per qualifying person.**
- ❑ **The Amount can be prorated based on the number of qualifying days in the tax year.**



Thank you very much for your attendance



Q&A session to commence.



For further information, please visit us at: <https://tax.un.org>