

2020 Tax Filing Tips

1. **Report UN taxable earnings** (total amount from Statement of Taxable Earnings) on Line 1, page 1 of IRS Form 1040.
2. Calculate Social Security & Medicare Tax commonly used as **Self Employment tax (SE tax calculation)** on UN income earned in US, only if you are a US citizen. UN income earned overseas by a US citizen or UN income earned by a US permanent resident (anywhere) is not subject to SE tax. <https://www.irs.gov/individuals/international-taxpayers/employees-of-a-foreign-government-or-international-organization-how-to-report-compensation>
3. UN earnings is not business income, as such it does not qualify for **Line 13 of IRS Form 1040** (Qualified business income deduction).
4. It is recommended **not to use schedule C** to report UN earnings.
5. Do not make any alterations on UN **Form F243**, or change the preprinted date 06/15/2021. Please enter UN index# and use current date if submitting the form after 06/15/2021.
6. Clearly indicate if you have made a settlement payment on your tax claim. **Include proof of payment with the tax claim** to avoid duplicate payments to tax authorities and reissuing checks.
7. **Proof of payment** means cashed check image (front and back of checks), bank statement showing the paid amount, credit card statement showing the paid amount or the IRS account transcript showing 0 balance.
8. Signatures should be on the signature lines of actual tax returns **NOT on e-filing pages**, e.g. page 2 of IRS Form 1040, page 4 of NYS Form IT-201.
9. **UN advances** are not withholdings and therefore should be shown on Line 26, page 2 of IRS Form 1040, **NOT on Line 25d of IRS Form 1040**. Entering on Line 25d of IRS Form 1040 may result in incorrect refunds from IRS.
10. **UN overpayment** shown/included on Line 34 of IRS Form 1040 should be carried forward to the following year estimated tax if you insert that amount on Line 36. However, if you would like a refund in case of separation, you should insert the amount on Line 35a. All refund checks related to UN overpayment must be payable to United Nations and forwarded to UN Income Tax Unit.
11. **Estimated tax penalty** on Line 38 of IRS Form 1040 should not be calculated. Instead, have the tax authorities calculate the penalty and send penalty notice.
12. Please note all **NYS settlement payments** will be issued as checks regardless of EFTPS being enrolled or not.