

IRS Reporting Rules

Reference Guide

US financial institutions must comply with the reporting rules of the US Internal Revenue Service (IRS). To report the correct information, we need to know if you are a taxpayer in the US.

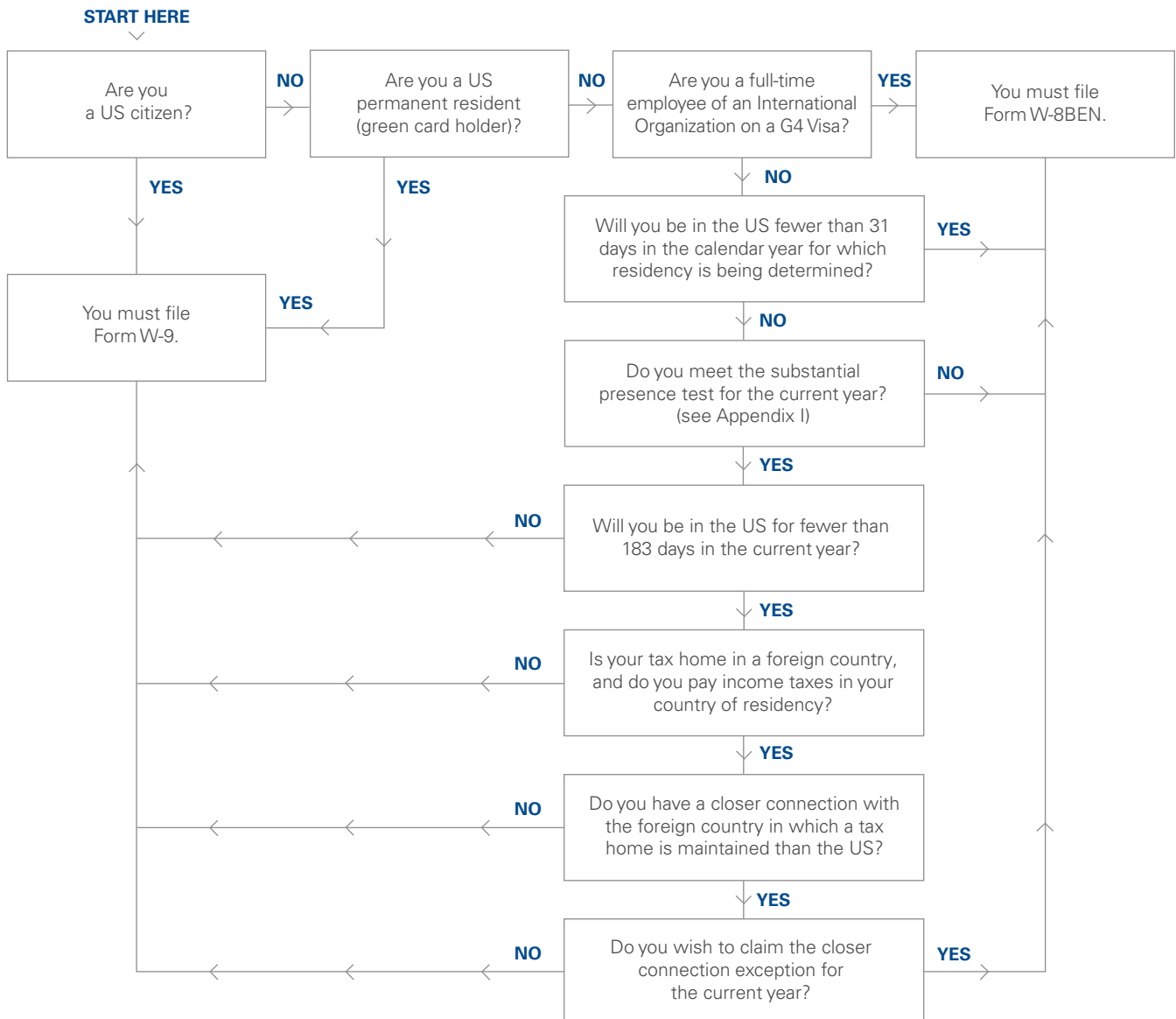
If you don't pay US taxes, complete the IRS tax certification [Form W-8BEN](#) every three years. This way, we will not withhold any interest you earned.

If you are required to pay taxes in the US, complete the IRS tax certification [Form W-9](#).

This guide will help you determine which form to complete.

Should I file Form W-9 or Form W-8BEN?

Use the chart below to help determine the correct form you should complete and send to UNFCU.



Form W-8BEN, line 3: Permanent Residence Address

To determine the country where a member is an income tax resident, the regulations state that financial institutions may rely on the 'permanent residence address' shown on the individual's latest Form W-8BEN on file with the financial institution.

Your 'permanent residence address' is your address in the country where you claim to be a resident for purposes of that country's income tax. On Form W-8BEN you must provide your 'permanent residence address' and may not use an address of a financial institution or your employer, a post office (PO) box, or an 'in care of' address.

If you are not a taxable resident of any country, the instructions for the Form W-8BEN provide that you should enter the address where you 'normally reside.' Neither the instructions to the Form W-8BEN nor the related regulations define the term 'normally reside.' We provide two examples here that may offer some clarification:

1. If you are on a short-term international assignment in a particular country, and you are not a taxable resident in any country, and you maintain a residence in your home country to which you expect to return, then it is likely that you would be considered to be 'normally residing' in your home country. In this case, you should enter your address in your home country on Form W-8BEN.
2. If you are on an indefinite international assignment, and you are not a taxable resident in any country, and you no longer maintain a residence in your home country, it is likely that you would be considered to be 'normally residing' in your host country.

For example, most G4 visa holders who are living and working in the United States are no longer taxable residents in either their home country or the United States. If one of these individuals no longer maintains a residence outside the United States, it is likely that he or she would be considered to be 'normally residing' in the United States. In this case, he/she would enter his/her US address on Form W-8BEN.

US Interest Reporting Requirements

If you earned at least \$10.00 in interest during the year, we need to report it to the IRS.

This reporting applies to:

- US taxpayers
- Non-US taxpayers who are residents of one of the countries listed in the next section

We use Form 1099-INT to report this information for US taxpayers and members without a valid tax certification.

For non-US taxpayers with a valid W-8BEN form, we use [Form 1042-S](#). The IRS does not require any action if you receive Form 1042-S.

We send you a copy of each form we send to the IRS. You may receive both a 1099-INT and a 1042-S in the same year. This may be because your tax status changed or your certification expired during the year.

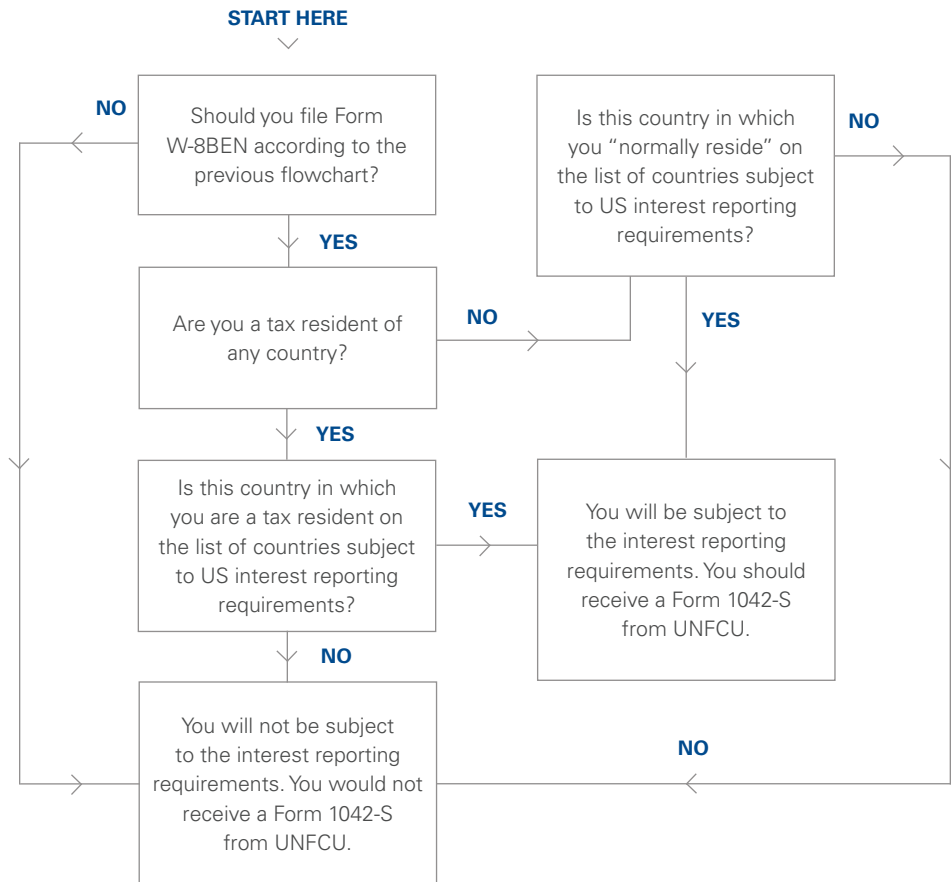
List of Countries Subject to the US Interest Reporting Requirements

(Effective for interest paid on or after 1 January 2020)

Countries subject to the US interest reporting requirements				
Antigua & Barbuda	Curacao	Honduras	Malta	Saint Lucia
Aruba	Cyprus	Hong Kong	Marshall Islands	Slovak Rep.
Argentina	Czech Republic	Hungary	Mauritius	Slovenia
Australia	Denmark	Iceland	Mexico	South Africa
Austria	Dominica	India	Moldova	Spain
Azerbaijan	Dominican Republic	Indonesia	Monaco	Sri Lanka
Bangladesh	Egypt	Ireland	Morocco	Sweden
Barbados	Estonia	Isle of Man	Netherlands	Switzerland
Belgium	Faroe Islands	Israel	Netherlands island territories: Bonaire, Saba, St. Eustatius	Thailand
Bermuda	Finland	Italy	New Zealand	Trinidad & Tobago
Brazil	France	Jamaica	Norway	Tunisia
British Virgin Islands	Georgia	Japan	Pakistan	Turkey
Bulgaria	Germany	Jersey	Panama	Ukraine
Canada	Gibraltar	Kazakhstan	Peru	United Kingdom
Cayman Islands	Greece	Korea, Republic of (South Korea)	Philippines	Venezuela
China	Greenland	Latvia	Poland	
Columbia	Grenada	Liechtenstein	Portugal	
Costa Rica	Guernsey	Lithuania	Romania	
Croatia	Guyana	Luxembourg	Russian Federation	

Will I receive a Form 1042-S?

Use the chart below to help determine whether you will receive a Form 1042-S from UNFCU.



Appendix I: Substantial Presence Test

Substantial Presence Test

Even though an individual does not possess a green card, he/she can still become a taxable resident of the United States under the 'substantial presence test'. This test is based on a person's physical presence in the United States. The test is satisfied if a person's days of physical presence within the United States equal or exceed 183 days over a three-year test period.

The formula is as follows:

All days of US presence in current year plus 1/3 of days of US presence for the first preceding year plus 1/6 of days of US presence for the second preceding year.

Under this test, a person is generally considered to be a US taxable resident from his/her first day of physical presence in the United States in the year in which the substantial presence test is satisfied.

Substantial Presence Test: Exempt Individuals

An important exception under the substantial presence test provides that days of presence in the United States are not counted for 'exempt individuals'. An 'exempt individual' includes anyone who is present in the United States by reason of his/her full-time employment with an international organization (i.e. The United Nations). Often these people are working in the United States on a G4 visa.

An individual is considered a full-time employee of an international organization if that individual's employment with the organization is consistent with an employment schedule of a person with a standard full-time work schedule with the organization.

Members of the immediate family of a full-time employee of an international organization are also considered exempt individuals for purposes of the substantial presence test. Immediate family members include the eligible employee's spouse and unmarried children under age 21 provided that their visa statuses are dependent upon the employee's visa status.

Possessing a G4 visa does not automatically entitle an individual to nonresident status. The section of the law pertaining to taxable residency does not make reference to G4 visas, but states that day's of presence in the US are not counted for persons who have 'full-time employment with an international organization'. When a G4 visa holder retires from an international organization or becomes a part-time consultant of that organization, that person may no longer qualify as a full-time employee even though he/she retains the G4 visa for a time. Therefore, a person may become a US taxable resident even though he/she continues to hold a G4 visa.

A member who is an 'exempt individual' (most G4 visa holders) and their immediate family members should generally complete and submit IRS Form W-8BEN to UNFCU.