



TALKPOINTS FOR MANAGERS

Federal Employee Tax Compliance Responsibilities

Key Messages

- All federal employees should file and pay their federal, state and local income taxes accurately and on time (by April 17*) whether they owe additional tax or are receiving a refund (Federal Standards of Ethical Conduct - C.F.R. 2635).
- Report taxable income from all sources for yourself and your spouse (if filing a joint return), such as state tax refunds, interest, dividends, gambling and self-employment income, etc.
- Have the proper amount of tax withheld and timely pay the proper amount of tax.
- Include all required information (W-2s, schedules, SSNs, etc.) with your tax return.
- Review your return for accuracy and keep accurate records of all tax-related documents.
- Visit [IRS.gov](https://www.irs.gov) for filing and payment information.

Background

Since Congress and the public expect federal employees to demonstrate the highest degree of integrity in tax matters, all federal employees are expected to meet their tax compliance responsibilities. Tax compliance is comprised of three obligations:

1. Filing Compliance – Timely filing of all tax returns.
2. Reporting Compliance – Full and accurate reporting of all income, expenses and deductions.
3. Payment Compliance – Full payment of all taxes when due.

Things Employees Must Do

Employee tax compliance means you must meet all your tax obligations in full and on time by April 17.* You are held responsible for ensuring that your return is filed accurately and timely, even if someone else prepares it. To be compliant, you must do the following:

- » Have the proper amount of tax withheld from any wages or determine if you should make estimated tax payments.
- » File your tax return or [request an extension](#) of time to file by April 17.* Remember, an extension of time to file is NOT an extension of time to pay. You must pay the full amount of tax you owe timely.
- » Include all required information and income sources for you and your spouse if filing a joint return (SSNs, signatures, schedules, 1099 and W-2 statements, etc.).
- » Review your return for accuracy and keep proper records.

If you discover a tax problem after filing your return, you must immediately take action, respond to any correspondence from the IRS and notify your manager. You may need to prove that you filed your return timely, so keep a copy of IRS e-file confirmation or a return receipt if you mailed your return.

Avoid Common Mistakes

- » Failure to include income from all sources, for yourself and your spouse, if you file a joint return. This includes part-time or seasonal work, self-employment activities and [sharing economy](#) income, such as car ride services or spare bedroom rentals. Other commonly missed income types include state tax refunds, interest, dividends, gambling winnings, prizes and debt cancellations.
- » Failure to verify the accuracy of tax returns before filing them, such as math errors and omissions. An easy way to avoid these types of mistakes is to e-file your return — e-file automatically checks your math and alerts you to any missing information.
- » Failure to sign your tax return and attach all required forms, schedules and documentation.
- » Failure to make estimated tax payments, as necessary. Visit [IRS.gov/payasyougo](https://www.irs.gov/payasyougo) to determine if you should be making estimated tax payments.

Tax compliance is the responsibility of all federal employees

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Remember

- An extension of time to file is NOT an extension of time to pay.
- If you owe and cannot pay, file your tax return and pay what you can by April 17* to avoid or limit penalties and interest. You should pay as much as you can by the filing deadline, because failure-to-pay penalties and interest are due on any unpaid balance and increase the amount you owe. If you can't pay what you owe, you can check out your options at [IRS.gov/payments](https://www.irs.gov/payments).
- Tax compliance planning is not just a filing season issue — review and adjust income tax withholdings throughout the year and make estimated tax payments if necessary. Under withholding and owing an estimated tax penalty can be a serious tax compliance problem. Outside employment or business activities could result in a requirement for estimated tax payments and/or a change to withholding. Additionally, withdrawals from retirement funds, 401(k) and IRAs can lead to under-withholding, estimated tax penalties and difficulty in paying your full tax liability on time. Visit [IRS.gov/payasyougo](https://www.irs.gov/payasyougo) to learn more.
- You will need to report that everyone on your return had health insurance coverage all year or that they qualified for an exemption from coverage, or make a shared responsibility payment when you file your return. If you or anyone on your return purchased health insurance coverage through the Health Insurance Marketplace, you will need to file a return to claim a Premium Tax Credit or reconcile any advanced payments of Premium Tax Credit paid directly to your provider during the year.
- If you file a joint return, your spouse's activity (income, withholding, estimated tax payments) counts too. When you sign a joint return, you accept full responsibility for the tax liability, whether yours or your spouse's taxes.
- Keep good records throughout the year.

Discussion Q&A

Actively facilitate a discussion with your employees using these questions.

Q1. If I am to receive a refund, do I still have to file a tax return by April 17?*

A1. Yes. There is no distinction between a refund and a balance due tax return. You still must file a tax return on or before the tax deadline.

Q2. Can I file for an extension?

A2. Yes, but remember this is only an extension of time to file. You must still pay your taxes on time by the April 17* deadline.

Q3. Can I electronically file my tax return for free?

A3. Almost everyone can prepare and e-file their tax returns for free (or a nominal charge). Find free options to prepare and file your return on [IRS.gov](https://www.irs.gov) or in your community, if you qualify. Go to [IRS.gov/filing](https://www.irs.gov/filing) to see your options. You may also be able to receive your refund via Direct Deposit. It's simple, safe and secure. Choosing e-file and Direct Deposit for refunds remains the fastest and safest way to file an accurate income tax return and receive a refund. The IRS issues most refunds in less than 21 days.

Q4. Once I send my return electronically, is my obligation to file completed?

A4. No. It is very important that you receive confirmation that your return was accepted. This confirmation will be sent to you via email and can take up to 48 hours. If you are notified that your return was rejected, you need to take steps to correct the return, re-send it and receive confirmation that it was accepted.

Q5. What kind of options do I have if I can't pay the tax I owe?

A5. First, make every effort to file your return and pay your balance in full before the April filing deadline. If you still can't pay what you owe, you can check out your options at [IRS.gov/payments](https://www.irs.gov/payments).

**Because April 15 falls on a Sunday and the Washington D.C. Emancipation Day holiday is being observed Monday, April 16, the 2018 tax return filing and payment deadline is Tuesday, April 17.*