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EBAP/93/38

June 11, 1993

To: Members of the Executive Board

From: The Acting Secretary

Subject: Simplification of the Procedures for Payment of Tax Equivalency Allowances for Spouse and Dependent Children

Attached is a memorandum from the Acting Chairman of the Committee on Administrative Policies containing the Committee's report and recommendation on the simplification of the procedures for payment of tax equivalency allowances for spouse and dependent children.

In the absence of objection by noon on Wednesday, June 16, 1993, the recommendation of the Committee will be deemed approved by the Executive Board, and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

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Department Heads



Office Memorandum

June 11, 1993

To: Members of the Executive Board

From: The Acting Chairman,
Committee on Administrative Policies

Subject: Simplification of the Procedures for Payment of Tax Equivalency Allowances for Spouse and Dependent Children

The Committee on Administrative Policies has considered proposals for the simplification of the procedures for payment of tax equivalency allowances for spouse and dependent children on the basis of EB/CAP/93/2 and Correction 1 (5/28/93). The Committee agreed to recommend the Executive Board the following changes in the procedures for payment of tax equivalency allowances and in the eligibility criteria for tax equivalency allowances and other benefits for which children are eligible.

The policy regarding tax equivalency allowances shall be changed as follows:

- a. The Fund's financial year will be used as the basis for adjustment of the base of tax equivalency allowances.
- b. The spouse's actual earned income during the previous calendar year will be used to determine the staff member's entitlement to the tax equivalency allowances for the financial year commencing after the end of that calendar year.
- c. The staff member's certification of spouse's earned income will be accepted, provided that the staff member may be required to verify the accuracy of the certification.
- d. The benefits eligibility criteria for staff members' children between 19 and 23 years of age will be changed as follows: these children will be eligible for benefits so long as the child is unmarried and the child's income is below the stipulated ceiling. Unmarried children with incomes over the ceiling will be ineligible for benefits unless the staff member certifies that the child received more than half his annual support from him. Staff members may be required to verify the accuracy of the certification regarding the children's income and the support level provided to them by the staff member.