

IMPORTANT NOTICE FOR U.S. TAX RESIDENTS COVERED BY THE STAFF RETIREMENT PLAN

The following important notice relates to the filing of IRS Form 8938 by recipients and future recipients of benefits under the IDB's Staff Retirement Plan. Although this potential filing requirement will not affect your taxable income or income tax liability in any way, you may nevertheless be required to file this Form 8938 along with your federal tax return. The following information is provided for your general knowledge and reference, but you should discuss its content and applicability with your tax adviser.

Under the Foreign Account Tax Compliance Act (FATCA), U.S taxpayers who hold "specified foreign financial assets" with a total value exceeding certain thresholds (described below) must report such assets annually on Form 8938. SRP benefits and related tax reimbursements (if any) are "specified foreign financial assets" and therefore must be included in calculating this total value. If the threshold value is exceeded, then Form 8938 must be filed along with the annual federal tax return. It is important to note that filing Form 8938 is solely a reporting requirement; it does not affect your taxable income or income tax liability.

The requirement to file Form 8938 only applies to US taxpayers, including US citizens, permanent residents, and non-residents who file a joint tax return with a US tax resident. If you are not required to file a U.S. federal tax return, you are not subject to FATCA reporting and are not required to file Form 8938.

The discussion below is intended to assist you in determining whether you should file Form 8938 with respect to the SRP. However, you should consult your personal tax adviser to determine how FATCA and the Form 8938 requirement apply in your situation.

For retirees and beneficiaries of the SRP, the amount of the SRP benefit and related tax reimbursement (if any) paid to you during the tax year is considered to be a specified foreign financial asset for purposes of reporting on Form 8938. This amount was reported to the IRS by the Bank on Form 1099R. If the amount of the SRP benefit and related reimbursement, when added to your non-SRP foreign financial assets, exceeds the applicable threshold described below, you should file Form 8938.

For active staff members not receiving distributions under the SRP, an interest in the SRP is considered to be a specified foreign financial asset for purposes of reporting on Form 8938, but its value is considered to be zero. If you are required to file a Form 8938 because of non-SRP specified foreign financial assets exceeding the applicable threshold, you should report the SRP on your Form 8938 at a value of zero.

The following steps may assist you in determining if you are required to file Form 8938 along with your federal tax return:

1. **If you are a retiree or beneficiary of the SRP**, determine the aggregate dollar value of the total amount of your SRP benefit plus settled tax reimbursement, as reported in Box 1 of your Form 1099R.
2. **If you are an active staff member not receiving distributions under the SRP**, the value of your interest in the SRP is considered by the IRS to be zero.

3. **If you have non-SRP specified foreign financial assets**, you should carefully review the instructions to Form 8938 to determine which of your (and if you file a joint return, your spouse's) personal non-SRP assets are considered specified foreign financial assets, and the value of any such assets.
4. Add the values of your SRP and non-SRP specified foreign financial assets and compare the total value of your specified foreign financial assets with the applicable Form 8938 filing thresholds as follows:
 - For married individuals filing a joint federal tax return, a Form 8938 is required if the total value of the specified foreign financial assets in which either spouse has an interest exceeds \$100,000 on the last day of the taxable year or exceeds \$150,000 at any time during the year.
 - The corresponding figures for tax returns using single, head of household or married separate filing status are \$50,000 and \$75,000, respectively.
 - Higher dollar thresholds apply to U.S tax residents who reside abroad, as described in the instructions to Form 8938.
5. If your total specified foreign financial assets exceed the applicable threshold, you should file Form 8938 and report all your specified foreign financial assets, including the relevant value for the SRP, even if it is zero.

If you are required to file Form 8938, the fillable IRS Form 8938 and its instructions are available on the IRS web-site (IRS.gov). You should review the instructions carefully, and/or seek advice from your personal tax professional. Generally, the IRS may impose penalties on taxpayers who are required to file Form 8938 but who fail to do so.

While the Bank is not obliged to alert recipients of SRP benefits of applicable tax law requirements, we are assisting you by providing this general information. This notice does not constitute professional tax or legal advice. It is your responsibility to comply with all provisions of law, which may be subject to change. Accordingly, we urge you to consult with a professional tax adviser if you are not sure whether and how FATCA applies in your particular situation.

Tax Administration Office
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