



## Frequently Asked Questions

### **Q1: Why was my quarterly tax reimbursement payment in March 2020 lower than the quarterly payment I received in December 2019?**

A: The short answer is that your 2019 taxable IDB retirement income included two years of tax reimbursement, for 2018 and 2019, while your 2020 taxable income will include only one year of tax reimbursement, for 2020. Because of your lower taxable IDB retirement income in 2020, your 2020 tax reimbursement will generally be less your 2019 tax reimbursement.

Here is a more detailed explanation:

- In 2018 (and in earlier years), your taxable IDB retirement income included two elements: your 2018 taxable Staff Retirement Plan pension and the final tax reimbursement settlement for the prior year, 2017.
- In late 2018, the Bank decided to change its method of tax accounting. After the transition to this new method, taxable income would simply include the amounts of taxable pension and tax reimbursement paid to the retiree during a given year.
- 2019 was the transition or catch-up year, when taxable IDB taxable retirement income included three elements: the final tax reimbursement for 2018, the quarterly tax reimbursements paid in 2019, and the taxable SRP pension paid in 2019.
- In 2020, the transition is complete, and your taxable IDB retirement income will again include just one year of tax reimbursement, the quarterly tax reimbursements paid in 2020, in addition to the 2020 taxable pension. Accordingly, your tax reimbursement for 2020 will generally be lower than the tax reimbursements you received for 2019.
- See chart below:

2018 Taxable IDB Income	2019 Taxable IDB Income	2020 Taxable IDB Income
2018 SRP taxable Pension	2019 SRP Taxable Pension	2020 SRP Taxable Pension
2017 Final Tax Reimbursement	2018 Final Tax Reimbursement	2020 Quarterly Estimated Tax Reimbursements
	2019 Quarterly Estimated Tax Reimbursements	*

\* Adjustments to your 2019 tax reimbursement that are paid or collected in 2020 will also affect your 2020 taxable income but these adjustments are usually minor.