



Introduction

Tax liabilities from an expat assignment can continue for years after the end of the assignment, and can seem very daunting. Below are some Frequently Asked Questions that might be of help:

Will someone help me with my taxes?

Yes, Abbott has a contract with a global tax firm. They will prepare your personal host (and home if needed) tax return each year you are on assignment. If you have trailing liabilities (eg, a bonus paid after you return home, stock that vests after you return home), you will continue to receive tax preparation assistance until those trailing liabilities are fully accounted for

What if I am no longer an Abbott employee?

Even if you are no longer employed by Abbott, you will continue to receive tax support as long as base salary, bonus, or stock needs to be taxed in the host country. Any tax notices you might receive from a year you were part of the program will also be supported.

What about my spouse or partner, will they receive tax preparation support?

If your spouse or partner has income in the home country that must be reported in the US, Abbott will include them in the tax preparation support. Also, if it is advantageous for you to file a joint US tax return, your spouse will be included in the US tax support.

What about my children, will they receive tax preparation support?

If your minor children have income in the home country that must be reported in the US, Abbott will include them in the tax preparation support. Any income resulting from investments in the US, US employment, or if they are 18 years of age or older, they will not be covered by the Abbott tax preparation program.

What happens if I receive a tax notice?

If you receive a tax notice related to a tax year in which you received services via the Abbott program, simply scan the notice and send it to the ATD team. They will forward it on to the global tax supplier who will assist you in responding to the notice.

What happens if I get audited?

If the audit relates to a tax year in which you received services via the Abbott program, please notify the ATD immediately. The global tax supplier who will assist you throughout the audit for any year you were part of the program.

What is my responsibility under the program?

It is the responsibility of the assignee to meet all deadlines as communicated by the global tax supplier, complete each year's tax questionnaire(s) completely and on time, and to provide the documentation requested by the tax supplier by the stated deadlines. Taxes are the largest budgetary item for an expat assignment, and it is the responsibility of the assignee to maintain both compliance and timeliness in order to reduce the possibility of fines or penalties.

Should I keep copies of my tax returns?

It is recommended that all individuals keep copies of their important documents, including copies of tax returns.

I'm back in the US and my W2 looks strange. Is it wrong?

The US tax authority requires Abbott to report all payments made to you or on your behalf as income. For example, the relocation of your household goods, any cash allowances, and travel costs must all be included as income items. This can make your income appear to be inflated. This does not mean the W2 is incorrect. Our relocation vendor will calculate and pre-pay the tax on this income via communication with US payroll (this is called a gross up).

I'm in the US and owe a lot of tax. Did something go wrong?

US tax law limits the withholding allowed on anything considered a "bonus" or a "one time payment" and therefore individuals eligible for RSUs, Incentive Bonuses, or even Cash Profit Sharing typically find that unless they make a deliberate effort to increase their withholding on their base salary and/or increase participation in pre-tax savings opportunities, they often owe federal and/or state tax when it is time to file the annual return.

I moved last year, why is there still extra income in my wage declaration?

If you relocated in the second half of the year, it is common to continue to have vendor charges come through in the subsequent year. These are required to be added to your income. The tax on this income will be calculated and pre-paid (called a gross up) by our relocation vendor, just as it was the previous year.

It seems like going on assignment can be complicated. Will someone help me with my personal financial planning?

Every individual makes different choices about saving, spending and investing. Transferees are encouraged to engage the services of a personal financial planner if they are concerned about managing their investments while away from home. The cost of these services is a personal one, as are the choices and decisions.

