

# 2024 Tax Guide for Peace Corps Volunteers

---

## Contents

Overview .....	2
Frequently Asked Questions .....	3
FILING TAX RETURNS .....	3
Do I have to file a federal tax return? .....	3
Even though I don't have to file a tax return, should I file? .....	3
When should I file my return? .....	4
What if I need more time? .....	4
What information do I need to complete my tax return? .....	4
Is the bank account in my country of service a foreign bank account? .....	4
How can I file my tax return? .....	4
How do I sign my return electronically? .....	5
Can my Privacy Act Waiver designee sign my return for me? .....	5
Can my Power of Attorney sign my return for me? .....	5
When should I pay any taxes I owe? .....	5
PEACE CORPS INCOME .....	6
What is my Peace Corps income? .....	6
Is my Peace Corps income taxable? .....	6
I received my full amount of readjustment allowance. How do I report that on my tax return? .....	7
How do I enter my Peace Corps income on my tax return? .....	7
I took the travel stipend instead of a plane ticket home. Is that taxable? .....	7
W-2 QUESTIONS .....	7
What's on my W-2? .....	7
When will I get my W-2? .....	7
My e-mail address changed. What should I do? .....	7
My W-2 was sent to my old address. What should I do? .....	8
My W-2 has an error. What should I do? .....	8
My Close of Service was in December 2023. Why did I get a 2024 W-2 but I did not get a 1095-C? .....	8
What is Peace Corps' Employer Identification Number (EIN) and address? .....	8
MISCELLANEOUS .....	9
Am I eligible for the Earned Income Credit (EIC)? .....	9
I collect Social Security benefits. Will my Peace Corps income affect my benefits? .....	9
I'm a Massachusetts resident. What goes on the Massachusetts Schedule HC? .....	9
Can my parents claim me as dependent? .....	9

1095-C .....	10
Do I have to file a tax return to report health insurance coverage? .....	10
Does Peace Corps provide health insurance coverage that meets the minimum essential requirement of the Affordable Care Act? .....	10
Does the SHIFTT insurance meet the minimum essential requirement of the Affordable Care Act? .....	10
Do I need to send the 1095-C to IRS when I file my tax return and should I wait to receive the 1095-C before I prepare and file my tax return? .....	10

## Overview

- 2024 W-2s and 1095-Cs will be distributed before January 31, 2025, by priority mail or electronic access via the Employee Express (EEX) online portal.
  - The filing deadline for federal tax returns by [April 15, 2025](#). If you are living overseas on April 15, 2025, you have until [June 15, 2025](#) to file and pay your taxes, but you must include a statement indicating you live outside the US and your primary place of business or post of duty is outside the US. If you are receiving a refund, you have three years to file your return and claim your refund. Late filing and late penalties only apply to those who owe taxes.
  - The 2024 W-2 includes the following types of taxable allowance earnings: the readjustment allowance earned monthly, the taxable portion of your living allowance, leave allowance, any special leave payments received, evacuation allowance, and walk-around allowances received or earned in 2024.
  - You will receive a 1095-C that is mailed in a separate envelope or included by electronic access via the Employee Express (EEX) online portal. The 1095-C is a reporting and filing requirement of the Affordable Care Act. 1095-C reports certain information to the IRS and to the taxpayers about individuals who are covered by minimum essential coverage. We report to the IRS that you were covered by Peace Corps medical services for each month or partial month that you were in service either as a trainee or a volunteer. The health insurance coverage Peace Corps provides during service meets the minimum essential coverage requirement of the Affordable Care Act. Short-term Health Insurance for Transition & Travel (SHIFTT) coverage purchased by volunteers who have ended service does not meet the minimum essential coverage.
  - Do not send your paper tax forms to Peace Corps. Please send them directly to the IRS. You can file on paper or use tax software, using Form 1040 to complete your return. Go to <http://www.irs.gov> and [How to file your taxes](#) to get tax forms and instructions. The IRS also offers a [freefile](#) program and a [Direct File option](#) in 25 participating states.
  - If you have questions and cannot find answers in the FAQ, email [taxhelp@peacecorps.gov](mailto:taxhelp@peacecorps.gov). You can also call toll-free at 1-855-855-1961, option 1, ext. 1770 or 1-202-692-1770.
- ❖ **NOTE:** *Peace Corps cannot provide official assistance for individual tax filing questions. It is recommended to consult a tax professional or local tax office for specific guidance.*

# Frequently Asked Questions

## FILING TAX RETURNS

### Do I have to file a federal tax return?

Your income, filing status, and age determine whether you must file an income tax return. Generally, you must file a return for 2024 if your gross income from worldwide sources is at least the amount shown for your filing status in the following table.

Use your age on January 1, 2025.

Filing Status	Age & Income		
	Under 65	65 & over	Both spouses 65 & over
Single	\$14,600	\$16,550	
Married Filing Jointly	\$29,200	\$30,750	\$32,300
Married Filing Separately	\$5	\$5	\$5
Head of Household	\$21,900	\$23,850	
Qualifying Surviving Spouse	\$29,200	\$30,750	

Source: [IRS Publication 17 for Individuals](#) and [Publication 17 \(2024\), Part 1, Table1-1](#)

### Do I have to file a state tax return?

Generally, if you file as a non-resident or part-year resident, you can exclude income earned outside that state. However, each state has its own rules for who must file a tax return. Consult your state income tax authority for more information.

For your state's residency requirements, it is best to refer to the specific state's online tax guides. These can usually be found by searching online for your stated and either "Department of Revenue" or "Department of Taxation."

### Do I use my home of record in the US on my tax return?

Generally, Peace Corps Volunteers are considered a resident of their home-of-record (HOR) state throughout service, and most Volunteers who were living in the US prior to service file state returns based on their HOR address.

Most likely, you do not have a foreign tax home because your "abode" is in the US where familial, economic and personal ties are maintained. A person's tax home typically becomes foreign when the work abroad is indefinite, not temporary.

For general information on international taxpayer requirements, please visit the IRS website for [US citizens and resident aliens abroad](#). *Note: Peace Corps cannot provide official assistance for individuals. It is recommended to consult a tax professional or local tax office for specific guidance.*

### Even though I don't have to file a tax return, should I file?

You may want to file, even if you are not required to file. For Volunteers planning to enroll in graduate school following their Peace Corps service, it is often helpful to file state taxes each year of your service. This will assist you when it comes to documenting your in-state status for admissions and tuition payments.

You risk losing your refund if you don't file your return. If you are due a refund for withholding or estimated taxes, you must file your return to claim it within 3 years of the return due date. The same rule applies to a right to claim tax credits such as the [Earned Income Credit](#).

### When should I file my return?

April 15, 2025 – If you are living in the US on this date, you must file your return and pay any tax, if applicable, by this date.

June 15, 2025 – If you are living outside of the US on April 15, 2025, you must file your return and pay any tax, if applicable, by this date.

If you are a living outside of the United States and Puerto Rico and your main place of business or post of duty is outside of the United States and Puerto Rico, you are allowed an automatic 2-month extension until June 15 to file your return and pay any tax due. If you use this automatic 2-month extension, *you must attach a statement explaining the above situation which qualifies you for the extension.*

### What if I need more time?

If you still need more time to file, you can file for an extension using IRS form [4868](#), *Application for Automatic Extension of Time to File U.S. Individual Tax Return*. This form can be filed electronically if you use tax software. Please be aware that an extension of time to file is NOT an extension of time to pay.

### What information do I need to complete my tax return?

In addition to other tax documents you may have, you will need your Peace Corps W-2 or Summary of Taxable Allowances. You may also need personal information, other income documents, other W-2 forms, 1099 forms, and credit or deduction documents. For more information, review the IRS website: [Gather your documents](#).

### Is the bank account in my country of service a foreign bank account?

The bank account in your country of service is a foreign bank account owned by you.

If your account held more than \$10,000 at any time during the year, you must file FinCEN Form 114 [Report of Foreign Bank and Financial Accounts](#) (FBAR). Additionally, US taxpayers are required to claim foreign assets above \$50,000. For more information, refer to the [Foreign Account Tax Compliance Act \(FATCA\)](#).

### How can I file my tax return?

- Paper — Get the forms from your local library or [www.irs.gov](http://www.irs.gov). Fill them out and mail in according to the instructions for the forms.
- [Free e-file](#) — You can e-file for free using a variety of tax software or with IRS online forms that can be filled in and e-filed. Your adjusted gross income must be under \$84,000 to qualify, and some providers include a free state tax return. IRS helps taxpayers find free file software programs with this [IRS Free File partner](#) link and the Free File Lookup Tool, and you asked questions about your income, age, state of residence, etc. Generally, using this method means you will have guided tax return preparation, answering questions to support you through the process and fill in the tax return to sign and submit.
- [IRS Direct File](#) – For residents of 25 participating states, this option may be available to file online directly with the IRS for free. Check your [eligibility](#) based on your home state and residency. See IRS resources at [IRS Direct File for free](#), and the [Publication 5917](#).
- Free tax prep clinics — The IRS supports the VITA program (Volunteer Income Tax Assistance). This program provides free tax preparation services to low-income taxpayers all across America. To find a site near you, call 1-800-TAX-1040 or visit the IRS [website](#).
- Tax software program or the website of a service or professional help from an accountant or tax professional.

## How do I sign my return electronically?

To file your return electronically, you must sign the return electronically using a personal identification number (PIN). If you are filing online using software, you must use a Self-Select PIN. See more from the IRS on the [Self-Select PIN](#) method.

If you need a prior income tax return to set up your Self-Select PIN, you may request it through the [Get Transcript](#) tool. Please visit this [tax topic](#) on the IRS website for more information.

## Can my Privacy Act Waiver designee sign my return for me?

The Privacy Act Waiver form you may have signed is not a Power of Attorney. It is simply a document that informs Peace Corps that you are willing to let us release financial information to your designee. A Privacy Act Waiver designee has no standing with the IRS and will not be recognized as a Power of Attorney. The Privacy Act Waiver designee may be able to prepare the return and have the Volunteer sign electronically.

## Can my Power of Attorney sign my return for me?

The IRS has a form for power of attorney relating to filing your income tax return. Form [2848](#) and instructions are available on the IRS [website](#). Information on the use of power of attorney to file annual tax returns can be found in [IRS Publication 947](#).

## When should I pay any taxes I owe?

Pay any taxes owed by your filing due date, April 15, 2025, or June 15, 2025, if you are living outside the US. There are various methods to [make a payment](#) to the IRS, including by credit card or digital wallet.

Filing for an extension gives you an extension of time to file, not an extension of time to pay.

Failure to pay by the due date makes you subject to penalties and interest:

- To understand how interest is calculated for underpayment and overpayment balances, please review the IRS website on [interest rates](#).
- If you file a return but do not pay all taxes owed, you will generally have to pay a late payment penalty, described on the IRS website as the [failure to pay penalty](#).
- If you owe tax and do not file on time, there is a penalty for not filing on time. For a description on how this is applied, refer to the IRS website section on the [failure to file penalty](#).

Generally, there are no penalties for late filing if you are due a refund or owe no taxes.

## PEACE CORPS INCOME

### What is my Peace Corps income?

There are several types of Peace Corps income, and not all Peace Corps Volunteers will have all types of income. 2024 Peace Corps income includes:

- Readjustment allowance: All PCVs earned \$400/month. Volunteers on a service extension or serving in Peace Corps Response earned \$500/month.
- Pre-Service Training Walk-Around Allowance: The money received during PST to cover small expenses.
- Living Allowance: Money to provide for a PCV's basic needs in their country of service.
- Leave Allowance: All PCVs earn a monthly leave allowance; it is paid with living allowance.
- Special Leave Allowance: Daily amount for up to 30 days paid to PCVs who extend their service for a year.
- Evacuation Allowance: Money paid to Volunteers and Trainees who have closed their service due to an evacuation or unplanned suspension of a country program.

Please note that per diems paid while away from site (such as staging, in-service training, volunteer conferences), administrative hold, medical hold, and settling-in allowances are not considered income and do not need to be reported on your tax return.

### Is my Peace Corps income taxable?

Some Peace Corps income is fully taxable; some is partially taxable; some is not taxable. Some income is subject to FICA taxes (Social Security & Medicare taxes).

Peace Corps Income	Income Tax	FICA Taxes	On W-2?	1040 Line
Readjustment Allowance	100% Taxable	100% Taxable	Yes	1
PST Walk-Around Money	100% Taxable	Not taxable	Yes	1
Living Allowance	Partially Taxable	Not taxable	Yes	1
Leave Allowance	100% Taxable	Not taxable	Yes	1
Evacuation Allowance	100% Taxable	Not taxable	Yes	1
Special Leave Allowance**	100% Taxable	Not taxable	Yes	1
Untaxed Allowances	Income Tax	FICA Taxes	On W-2?	1040 Line
Per Diems*	Not Taxable	Not Taxable	No	N/A
Settling-in allowance	Not Taxable	Not Taxable	No	N/A
Medical Hold Allowance***	Not Taxable	Not taxable	No	N/A

\* Per Diem: Money paid to PCVs while away from site (ISTs, conferences, etc.)

\*\* Paid to volunteers who extend service for 1 year and take special leave.

\*\*\* Allowance paid while on medical leave in or out of their country of service.

## **I received my full amount of readjustment allowance. How do I report that on my tax return?**

The full amount of the readjustment allowance you received at the end of your service does not need to be reported on your tax return. Readjustment allowance is reported as it is earned and not when it is received. Your W-2 will report the amount of readjustment allowance you earned for that tax year and what should be reported on your tax return, if applicable. Readjustment allowance you may have earned in prior years has already been reported on prior year W-2s.

## **How do I enter my Peace Corps income on my tax return?**

All taxable Peace Corps income should be reported on the wages line; this is line 1 on Form 1040.

## **I took the travel stipend instead of a plane ticket home. Is that taxable?**

No, it is not taxable and will not show up anywhere on your tax return.

## **W-2 QUESTIONS**

### **What's on my W-2?**

Readjustment allowance earned monthly from January 1, 2024 – End of Service: PCVs earned \$400/month, effective May 1, 2022. Volunteers on a service extension or serving in Peace Corps Response earned \$500/month, effective May 1, 2022.

The 2024 W-2 includes earnings from the following types of allowances:

- 1) Readjustment Allowance and the applicable FICA taxes that were withheld for the readjustment allowance earned during the year: Federal Income Tax withheld (if any), Social Security taxes (6.20%) and Medicare taxes (1.45%)
- 2) The taxable portion of your Living Allowance
- 3) Leave Allowance earned monthly
- 4) Any Special Leave payments received
- 5) Evacuation Allowance
- 6) PST Walk-around Money

### **When will I get my W-2?**

2024 W-2s will be distributed before January 31, 2025, by mail or electronic access via the [Employee Express](#) (EEX) online portal. If you have not received your W-2 by mail or a notification via e-mail by mid-February, send an inquiry to [taxhelp@peacecorps.gov](mailto:taxhelp@peacecorps.gov) with your name, country of service and address. W-2s can also be mailed to your home of record or current mailing address upon request.

### **My e-mail address changed. What should I do?**

Electronic access to tax documents is through the EEX online portal using the e-mail address provided to Peace Corps for communication and receipt of monthly statements for Volunteer In-Country Allowances and Readjustment Allowance. If the e-mail has recently changed, please inform in-country staff to request the Volunteer Financial Services (VPS) office to update the financial system. You may also reach out to [taxhelp@peacecorps.gov](mailto:taxhelp@peacecorps.gov) with your name, country of service and e-mail address issue.

### **My W-2 was sent to my old address. What should I do?**

Send an email to [taxhelp@peacecorps.gov](mailto:taxhelp@peacecorps.gov) with your name, country of service and address. W-2s can be sent to your home of record or current mailing address. Please note that this will not update your address in the Peace Corps system; please work with in-country staff to officially change your home-of-record address. If you are a Returned Peace Corps Volunteer (RPCV), update your mailing address in the RPCV portal.

### **My W-2 has an error. What should I do?**

If your name or Social Security number is incorrect on your Peace Corps W-2, cross out the error and write in the correction. You can still submit the W-2 with a marked correction to the IRS; you do not need a new W-2 issued by Peace Corps. However, if you do have a change to your name or Social Security number, please contact Peace Corps immediately so we can update our records and the file we submit to the Social Security Administration and IRS. You may not correct any dollar amounts on your W-2. If you feel the amounts listed on our W-2 are incorrect, please immediately contact Peace Corps at [taxhelp@peacecorps.gov](mailto:taxhelp@peacecorps.gov) to allow us to investigate and reissue if needed.

### **My Close of Service was in December 2023. Why did I get a 2024 W-2 but I did not get a 1095-C?**

Volunteers who closed their service or early terminated in December 2023 have income in the 2024 tax year because Readjustment Allowance income is reported on the first day of the month following the month in which it was earned. The last prorated or full Readjustment Allowance earnings for December was reported as earned on January 1, 2024. Although you have received a W-2 for 2024, you will NOT receive a 1095-C for 2024 tax year because you did serve any days in the calendar year 2024.

### **What is Peace Corps' Employer Identification Number (EIN) and address?**

- Employer EIN: 53-0261522
- Address: Peace Corps 1275 First Street NE Washington DC 20526



## MISCELLANEOUS

### Am I eligible for the Earned Income Credit (EIC)?

The EIC has several tests, and all tests must be met to qualify. The test that is most difficult for Volunteers to meet is that you must have been *physically* present in the United States for more than half the year. Maintaining a home in the US does not count as being in the US. There is a special rule for military which counts overseas service as being in the United States; however, this rule does not apply to Peace Corps Volunteers. If you would like to find out more about the EIC, please review IRS website on the [Earned Income Credit](#) and [Publication 596](#).

### I collect Social Security benefits. Will my Peace Corps income affect my benefits?

Under federal law, people who are receiving Social Security benefits and who have not reached full retirement age are entitled to receive all of their benefits as long as their earnings are under certain limits. The full retirement age for Social Security benefits is found [here](#). See the full Social Security Administration article [here](#).

To help determine if Social Security benefits are taxable, please refer to the IRS [website](#) reminder notice and review [Notice 703](#).

### I'm a Massachusetts resident. What goes on the Massachusetts Schedule HC?

If you purchased post-service insurance, use this information on [Schedule HC](#):

Short-term Health Insurance for Travel & Transition (SHIFTT):

- Name of insurance company or administrator: International Medical Group, Inc. for Peace Corps
- FID number of insurance co. or administrator: 35-1785962
- Subscriber Number: Your Peace Corps Volunteer ID number

### Can my parents claim me as dependent?

To claim a child as a dependent, the child must meet the **qualifying child test** or the **qualifying relative test**. To meet the qualifying child test, the child must be younger than the parent at the end of the calendar year, either be younger than 19 years old or be a student and younger than 24 years old or any age if permanently disabled. There is no age limit on claiming your child as a dependent if the child meets the qualifying relative test. For additional information, please visit the IRS website for a [tool](#) to help determine who can be claimed as a dependent. In addition to meeting the qualifying child or [qualifying relative](#) test, you may claim a dependency exemption for your child as long as all of the following tests are met:

1. Dependent taxpayer test
2. Citizen or resident test, and
3. Joint return test

## 1095-C

### Do I have to file a tax return to report health insurance coverage?

If you are not required to file a federal income tax return for a year because your gross income is below your return filing threshold, you do not need to file a return solely to report your coverage. Note that beginning in Tax Year 2019, Forms 1040 and 1040-SR no longer have the “full-year health care coverage or exempt” box and Form 8965 (Health Coverage Exemptions) is no longer used. The shared responsibility payment is not required if you did not have minimum essential coverage for part of or all the year. See IRS website for ACA tax provisions for [Individuals and Families](#).

### Does Peace Corps provide health insurance coverage that meets the minimum essential requirement of the Affordable Care Act?

The individual shared responsibility provision of the Affordable Care Act requires you have a minimum health insurance coverage also known as minimum essential coverage. The health insurance that is provided to you while you were in service meets the minimum essential coverage provision of the Affordable Care Act. This insurance coverage is a government-sponsored program. If you need more information about this, please visit the IRS historical content page [here](#).

### Does the SHIFTT insurance meet the minimum essential requirement of the Affordable Care Act?

No, the SHIFTT insurance does not meet the minimum essential coverage provision of the Affordable Care Act. More information on minimum essential coverage is available on the IRS [website](#).

### Do I need to send the 1095-C to IRS when I file my tax return and should I wait to receive the 1095-C before I prepare and file my tax return?

No. Although you may use the information on the forms to help complete your tax return, these forms should not be attached to your return or sent to the IRS. You should keep the forms for your records with your other important tax documents. You do NOT have to wait to receive or access the 1095-C to file your tax return. You were fully covered by Peace Corps medical coverage during your service. If you entered service at any date of a particular month, then you are covered from that month through the month you ended your service.

Example: If Jane Doe entered service on January 15, 2024, and ended service on October 18, 2024, then Jane was covered by Peace Corps medical services from January 2025 to October 2024. They could use this information to complete their tax return without having to wait for the 1095-C.