

SSNs, ITINs, and W8-BENs, oh my!

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3 min read



Most people find unnecessary acronyms annoying. But that's TBE.

Let's talk about some acronyms that are important for your 2020 tax and financial planning and why you need to think ahead.

* A Social Security Number (SSN) for your child can equal refundable tax credits.

* An Individual Tax Identification Number (ITIN) for your NRA (non-resident alien) spouse, dependent(s) or other US tax residents which can result in lower tax rates, higher standard deduction, or tax credits.

*A W8-BEN may change tax withholding on U.S. source income from 30% to 0%.

Why is this important now? My taxes won't be filed for months.

U.S. persons abroad rely on U.S. consulates and embassies to provide services, for example, a Consular Report of Birth Abroad (CRBA) which may be required to obtain an SSN. Even before COVID-19, many U.S. embassies were reducing services, the pandemic has accelerated that trend. The remaining Federal Benefits Units (FBU) support their resident country, as well as Switzerland:

- [Frankfurt, Germany](#)
- [London, UK](#)
- [Paris, France](#)

If you are still Stateside and planning to relocate abroad, do your future self a favor and sign up for a [Social Security account](#) before you leave. The Social Security website cannot be easily accessed without a US IP address, and even when using a VPN blocker there are a series of questions that will be nearly impossible to answer if you are no longer US-based.

Inside the U.S., IRS offices that provide these services have also experienced limited hours, limited staffing, and closures. Institutions will be preparing their filings, for example, 1099s in the beginning of the year. If they don't have the correct information, they may issue the wrong form or withhold the wrong amount.

Want more details?

* SSN – U.S. persons * abroad may be eligible for up to \$1,400 per eligible child in Additional Child Tax Credits (ACTC), which are refundable tax credits. A refundable tax credit means that even if you owe no U.S. tax, you can receive a refund from the IRS. The caveat, you can't claim the ACTC without an SSN. You can only claim the ACTC if you have the SSN by the due date of the return (including extensions).

* [Individual Tax Identification Number \(ITIN\)](#) – U.S. persons with a non-resident alien (NRA) spouse or children that are not eligible for SSNs may need to apply for ITINs to choose more advantageous filing status or dependent tax credits. Since 2018, the same restrictions apply, in most cases, the ITIN must be issued by the due date of the return (including extensions).

* W8-BEN – Those who are no longer U.S. persons but maintain U.S. bank or investments accounts, receive retirement benefits, or other U.S. source income may need to fill out a W8-BEN may provide a lower rate of withholding than the standard 30%. A proper rate of withholding can also save you time and tax preparation fees. If the appropriate amount of U.S. tax is withheld, you may not need to file a return. If the withholding agent withholds too much tax you have to file a U.S. tax return.

*A U.S. person is generally a U.S. citizen or national, a legal permanent resident (green card holder), or a U.S. tax resident determined by time spent in the U.S..

