[Company Letterhead]

[Date]

[Employee Name]
[Employee ID]
[Address]

# Tax Equalization Policy Acknowledgment Letter

Dear [Employee Name],

This letter serves to confirm your receipt and understanding of the [Company Name] Tax Equalization Policy regarding your international assignment to [Host Country], effective [Start Date].

By signing this document, you acknowledge and agree to the following:

- **Policy Receipt:** I have received a copy of the Tax Equalization Policy and have had the opportunity to ask questions regarding its contents.
- **Stay-Even Philosophy:** I understand that the objective of this policy is to ensure that my tax burden is approximately the same as it would have been had I remained in my home country.
- **Hypothetical Tax:** I authorize [Company Name] to deduct a "hypothetical tax" from my compensation, representing the estimated tax liability I would have incurred in my home country.
- **Tax Compliance:** I agree to cooperate with the company-designated tax service provider for the preparation of all required tax returns in both the home and host countries.
- **Settlement Process:** I understand that a final tax equalization settlement will be calculated annually. I agree to pay the company any balance due if my actual home country tax liability is lower than the hypothetical tax withheld, and the company will reimburse me if the opposite occurs.
- **Reporting:** I agree to provide all necessary financial documentation and income statements required to complete the tax reconciliation process in a timely manner.

I understand that failure to comply with the terms of this policy may result in the suspension of assignment benefits or other administrative actions.

Please sign and return a copy of this letter to the HR Department by [Deadline Date].

**Employee Signature:** _____
**Date:** _____

**Company Representative Signature: _____**
**Title: _____**
**Date: _____**