

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION



Snapshot Report: Status of the IRS's Workforce as of January 2026

June 9, 2026

Report Number: 2026-IE-R009

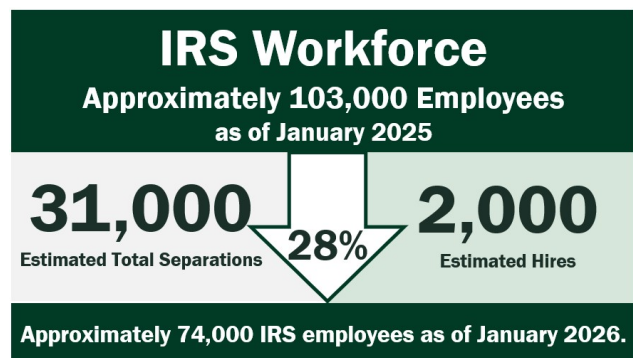
Why TIGTA Did This Evaluation

As part of the administration's efforts to reduce the size of the federal workforce, the IRS offered various separation programs. These programs were designed to encourage employees to separate from the federal government. The programs offered included the Deferred Resignation Programs (DRP), the Voluntary Early Retirement Authority (VERA), and the Voluntary Separation Incentive Payment (VSIP). In many cases, these programs allowed federal employees to resign with pay through September 30, 2025, or later, if the employee's retirement date was between October 1 and December 31, 2025.

We initiated this review to provide an update to our previous report on the status of the IRS's workforce.¹ This report provides a snapshot of IRS business units and positions impacted, as of January 2026.

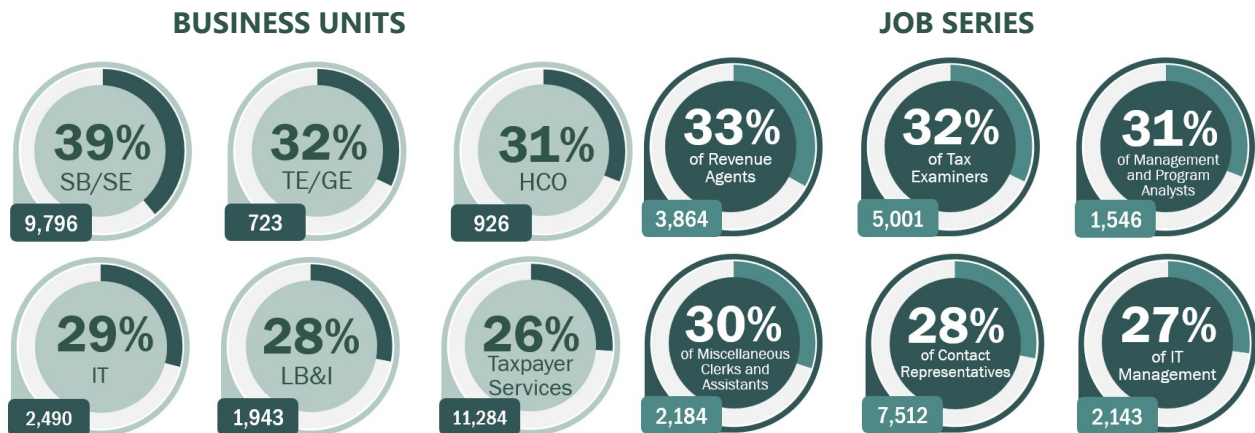
What TIGTA Found

According to IRS records, 31,273 employees separated, took a DRP offer, or used some other incentive to leave the agency during the one-year period between January 2025 and January 2026. These departures represent approximately 30 percent of the IRS's workforce and impact certain business units more than others.



The IRS began to backfill select positions. As of January 2026, approximately 2,000 employees have been hired. As a result, the net effect on IRS staffing was a decrease of 28 percent.

Overall workforce reductions have impacted employees in certain IRS business units and positions (job series) more than others. For example, approximately 33 percent of revenue agents and approximately 32 percent of tax examiners separated from the IRS. Revenue agents conduct examinations (audits) by reviewing financial records of individuals and businesses to verify what is reported. Tax examiners are responsible for reviewing and processing federal tax returns to ensure compliance and accuracy. The following graphics show the business units and job series impacted the most.



¹ TIGTA, Report No. 2025-IE-R027, [Snapshot Report: IRS Workforce Reductions as of May 2025](#) (July 2025).



TREASURY INSPECTOR GENERAL

for Tax Administration

DATE: June 9, 2026

MEMORANDUM FOR: COMMISSIONER OF INTERNAL REVENUE

FROM:

Nancy A. LaManna

A handwritten signature in cursive script that reads "Nancy LaManna".

Deputy Inspector General for Inspections and Evaluations

SUBJECT:

Final Evaluation Report – Snapshot Report: Status of the IRS's Workforce as of January 2026 (Evaluation No.: IE-26-002)

This report presents the results of our review to provide an update on the Internal Revenue Service's efforts to reduce its workforce. This report provides information about IRS workforce reductions resulting from the deferred resignation programs, retirements, and other separations. Our report is informational only. We made no recommendations.

If you have any questions, please contact me or Kent Sagara, Director, Inspections and Evaluations.

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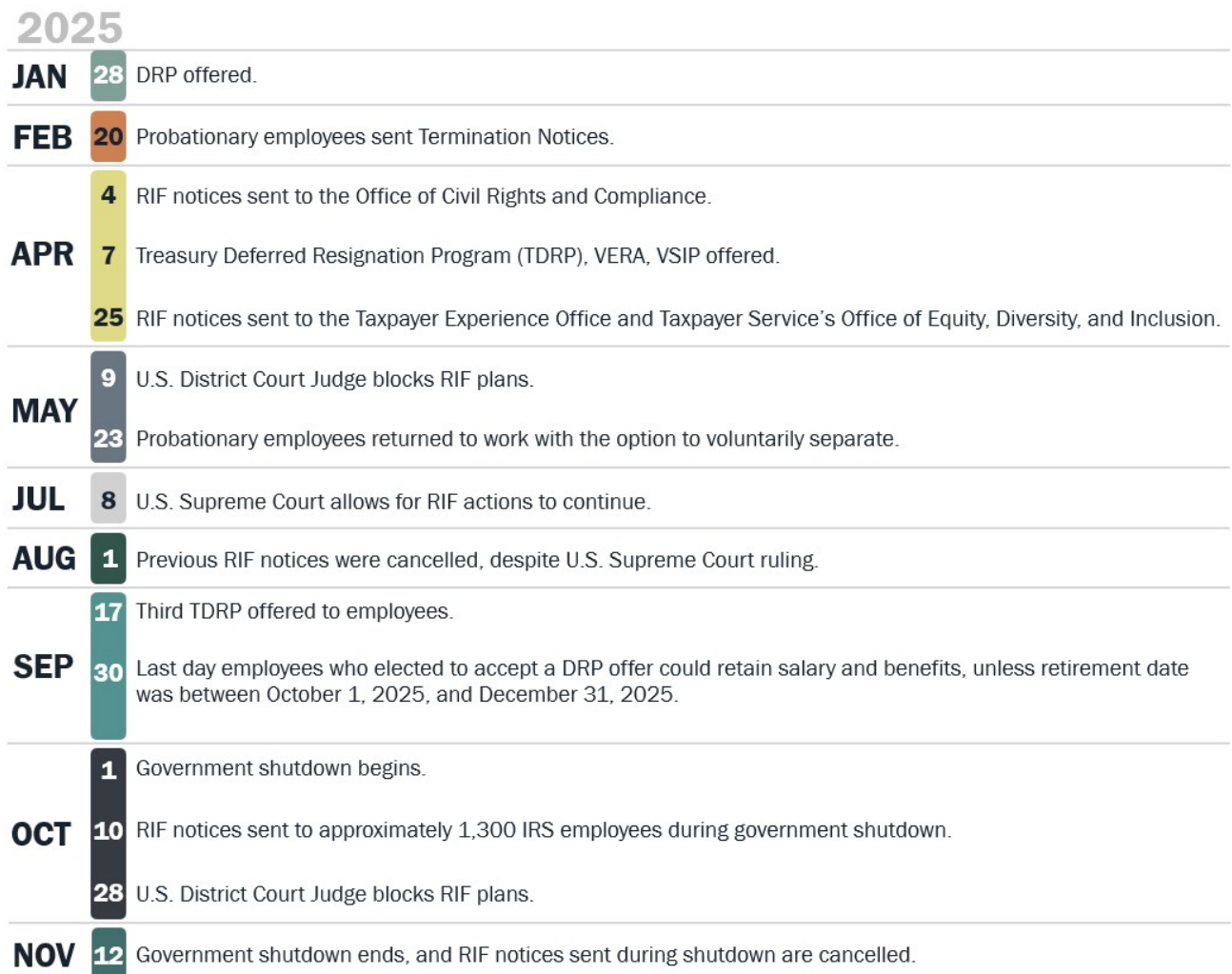
Background

Since January 2025, the IRS has taken steps to reduce the size of its workforce in compliance with the President's executive orders and U.S. Office of Personnel Management (OPM) guidance. Offers and incentives that IRS employees received to separate from the agency and avoid possible Reduction in Force (RIF) actions include:

- Deferred Resignation Program (DRP) offers.
- Treasury Deferred Resignation Program (TDRP) offers.
- Voluntary Early Retirement Authority (VERA) or "early out" retirement incentives.
- Voluntary Separation Incentive Payment (VSIP) or "buyout" incentives.

Figure 1 presents a timeline of events related to the workforce at the IRS in 2025.

Figure 1: Timeline of IRS Separation and Other Federal Events



Source: TIGTA analysis of IRS Human Capital Office data.

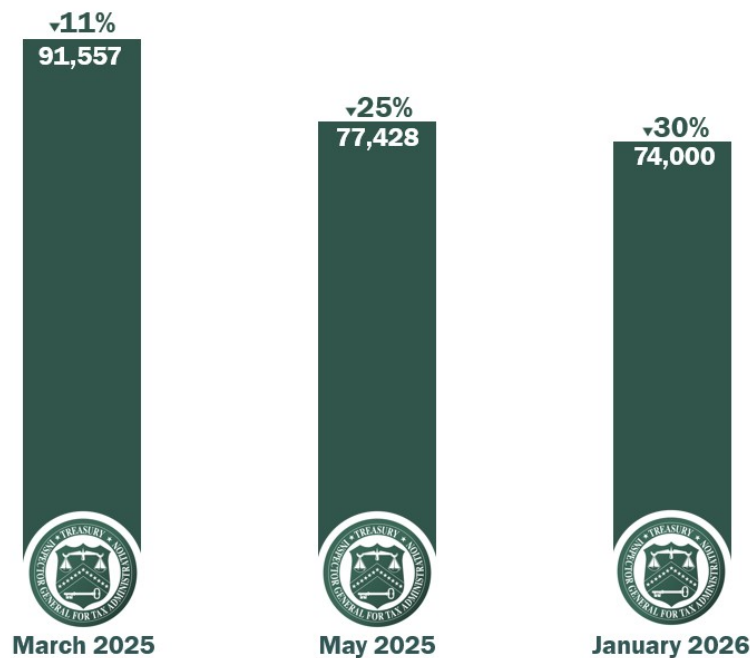
Results of Review

The IRS reported that 31,273 employees either voluntarily separated, took a DRP offer, or used some other incentive to leave from January 2025 through January 2026. These departures represent approximately 30 percent of the IRS's workforce and impact certain business units more than others. The IRS backfilled select positions and as of January 2026, approximately 2,000 employees have been hired. As a result, the net effect on IRS staffing was a decrease of 28 percent.

This is our third report on the IRS's workforce reductions. Our report is informational only and highlights various staffing changes that occurred from January 2025 through January 2026. The report analyzes data from the IRS Human Capital Office and the Treasury Integrated Management Information System (TIMIS). Figure 2 shows IRS staffing levels using our three workforce reduction reports as data points.¹

Figure 2: TIGTA Reporting on IRS Workforce Reductions in 2025

IRS Staffing as of January 2025 (Approximately 103k)



Source: TIGTA analysis of IRS Human Capital Office data (January 2026) and TIMIS data.

Our Office of Audit will conduct a more in-depth analysis of the business impacts from various IRS workforce reductions. Those results will be reported separately.

The National Taxpayer Advocate Annual Report to Congress for 2025 also analyzed IRS workforce reductions and reported that the agency's workload capacity may be impacted.² The National Taxpayer Advocate noted that a reduced workforce, leadership turnover, and the

¹ TIGTA, Report No. 2025-IE-R017, [Snapshot Report: IRS Workforce Reductions as of March 2025](#) (May 2025), and TIGTA, Report No. 2025-IE-R027, [Snapshot Report: IRS Workforce Reductions as of May 2025](#) (July 2025).

² National Taxpayer Advocate, [Annual Report to Congress, 2025](#) (Publication 2104, Rev. 12-2025).

implementation of extensive and complex tax law changes due to signing the One Big Beautiful Bill Act could impact workloads.³

We also know that many departing employees were experienced workers with institutional knowledge and technical expertise that cannot easily be replaced. In our 2026 Filing Season memorandum to the IRS Commissioner, we warned that the IRS faces elevated operational risks for the season due to staffing shortages, delayed hiring, and significant backlogs.⁴ For example, key inventories waiting to be processed (such as amended tax returns and taxpayer correspondence) have significantly increased.

Deferred Resignation Programs, Retirements, and Other Separations⁵

Deferred Resignation Program (DRP) – 4,528 employees

In January 2025, OPM released information on its DRP offering. The offering allowed federal employees to resign but retain all pay and benefits through September 30, 2025, or later if the employee's retirement date was between October 1 and December 31, 2025. The IRS reported that as of January 10, 2026, a total of 4,528 employees accepted the DRP offer.

Treasury Deferred Resignation Program (TDRP) – 17,115 employees

In April 2025, the IRS partnered with the Department of the Treasury (Treasury) to offer a second iteration of the DRP to its employees. The TDRP mirrored the benefits of the first DRP, including paid leave and benefits until separation. According to the IRS, some employees who assisted with the filing season, including employees in Taxpayer Services and contact representatives in IRS Collections, could not be placed on administrative leave until June 30, 2025.

Along with the TDRP, the IRS also offered the Voluntary Early Retirement Authority (VERA). This "early out" retirement incentive temporarily lowers age and service requirements to increase the number of employees eligible to retire during periods of substantial restructuring, reshaping, downsizing, or reorganizing. This management tool incentivizes employees to separate to avoid or lessen the impact of involuntary reductions. Employees taking the VERA were required to separate under the TDRP or under VSIP.

According to the IRS, as of January 10, 2026, there were 17,115 employees approved to separate under the TDRP. Of these, 3,237 were probationary employees who received termination notices and opted to take the TDRP after a federal court ruled that probationary employees needed to be reinstated.

Third DRP Program – 4 employees

According to the IRS, a third iteration of the DRP was offered to 43 employees from September 2025 through November 2025. This program was offered to further reduce the IRS workforce. Of the 43 employees offered:

³ [One Big Beautiful Bill Act](#), H.R.1-119th Congress (2025-2026), An Act to provide for reconciliation pursuant to title II of H. Con. Res. 14, Pub. Law No. 119-21.

⁴ TIGTA, Report No. 2026400002, [The Internal Revenue Service's Readiness for the 2026 Filing Season](#) (January 2026).

⁵ For our analysis, we used data that the IRS Human Capital Office provided. We discussed how the data was created and any discrepancies we identified with IRS management. We did not independently validate the data for this informational report.

Snapshot Report: Status of the IRS's Workforce as of January 2026

- 4 employees accepted the offer and were on administrative leave through December 31, 2025.
- 19 employees are still on administrative leave. 15 of the 19 employees have been on administrative leave since March of 2025.
- 19 employees have either returned to their original position or placed into another position.
- 1 employee left the IRS.

Voluntary Separation Incentive Payment (VSIP) – 1,622 employees⁶

The VSIP or “buyout” is another management tool that allows agencies to downsize or restructure. The VSIP offers employees lump-sum payments up to \$25,000 (or the employee’s severance pay amount, whichever is less) as an incentive to retire or resign and avoid an involuntary separation. According to the IRS, as of January 10, 2026, there were 1,622 employees approved for the VSIP.

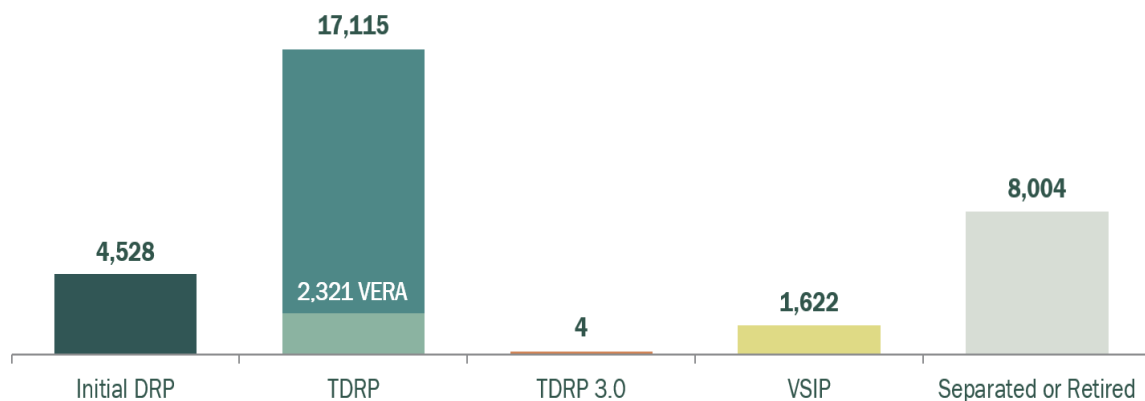
Depending on eligibility, an employee could receive one or a combination of Treasury incentive offerings. Potential incentive offerings include: (1) the TDRP; (2) the TDRP and VERA; (3) the VSIP; or (4) the VSIP and VERA.

Other Separations – 8,004 employees

We also identified 8,004 IRS employees classified as other separations (*i.e.*, resignations, retirements, terminations, *etc.*). These employees separated between January 2025 and January 10, 2026. Of the 8,004 employees, the IRS reported that 1,182 were probationary employees who received termination notices and decided to resign. The 1,182 employees also did not participate in the DRP, TDRP, or other IRS offerings.

Figure 3 shows the number of employees who participated in the various workforce reduction initiatives, retired, or separated for other reasons.

Figure 3: Breakdown of IRS Employee Separations



Source: TIGTA analysis of IRS Human Capital Office data (January 2026) and TIMIS data.

⁶ Employees who took the VSIP were allowed to just take the VSIP or combine it with the VERA.

Involuntary Separations

Probationary Employees

We previously reported that 7,315 probationary employees received termination notices in February and March 2025. Due to various court challenges, and at the direction of Treasury officials, in May 2025, the IRS reinstated probationary employees who did not resign or take the TDRP.

As of January 2026, the status of the 7,315 probationary employees receiving termination notices was as follows:

- 3,237 probationary employees took a separation incentive.
- 1,182 employees resigned or separated after receiving termination notices but did not enroll in a separation incentive.
- 2,835 employees returned to work.
- 61 employees were in the process of being rehired and returning to work.

Reduction in Force Actions

We also reported that in April 2025, the IRS sent RIF notices to the following three offices:

- Office of Civil Rights and Compliance – 179 employees.
- Taxpayer Experience Office – 106 employees.
- Taxpayer Service's Office of Equity, Diversity, and Inclusion – 9 employees.

However, due to court orders, these RIF actions have been cancelled, and the employees have returned to work. As of January 2026, these employees remain in their positions, unless they voluntarily separated or moved to another position within the IRS.

A second round of RIF notices were sent to certain IRS employees from October through November 2025 during the government shutdown. According to IRS officials, the IRS sent termination notices to 1,313 employees in the following offices:

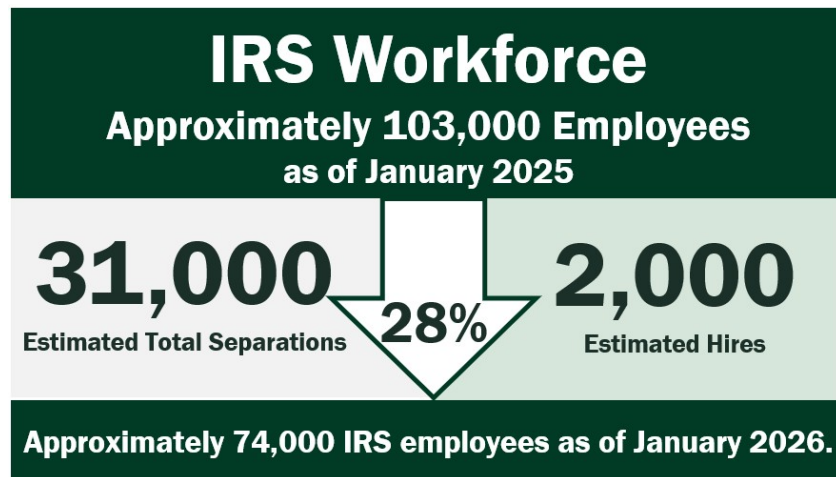
- Human Capital Office, IRS University – 274 employees.
- Independent Office of Appeals, Operations Support – 122 employees.
- Information Technology (IT) – 489 employees.
- Large Business & International, Program and Business Solutions – 222 employees.
- Privacy, Governmental Liaison and Disclosure, Program & Planning Support – 23 employees.
- Small Business/Self-Employed, Operations Support – 183 employees.

Due to court orders, these RIF actions also were cancelled, and the employees have returned to work.

Breakdown of Total Separations

Figure 4 shows the breakdown of IRS employees who separated. The breakdown includes employees who retired or separated for other reasons, employees who took a DRP offer or used an incentive, and the estimated number of employees hired from January 2025 to January 10, 2026. The total number of separations represented a 30 percent decrease in staffing. However, considering the estimated hires, the net effect on IRS staffing was a 28 percent decrease.

Figure 4: Separation Totals



Source: TIGTA analysis of IRS Human Capital Office data (January 2026) and TIMIS data.

Workforce reductions affected certain IRS business units and impacted employees in certain job series more than others. Figure 5 shows the top IRS business units affected by the separations. Figure 6 highlights the top IRS job series affected by the separations.

Figure 5: Top 6 IRS Business Units Affected by the Separations With the Count and Percentage Impact



Source: TIGTA analysis of IRS Human Capital Office data (January 2026), TIMIS data, and the IRS's internal SharePoint site for business unit definitions.

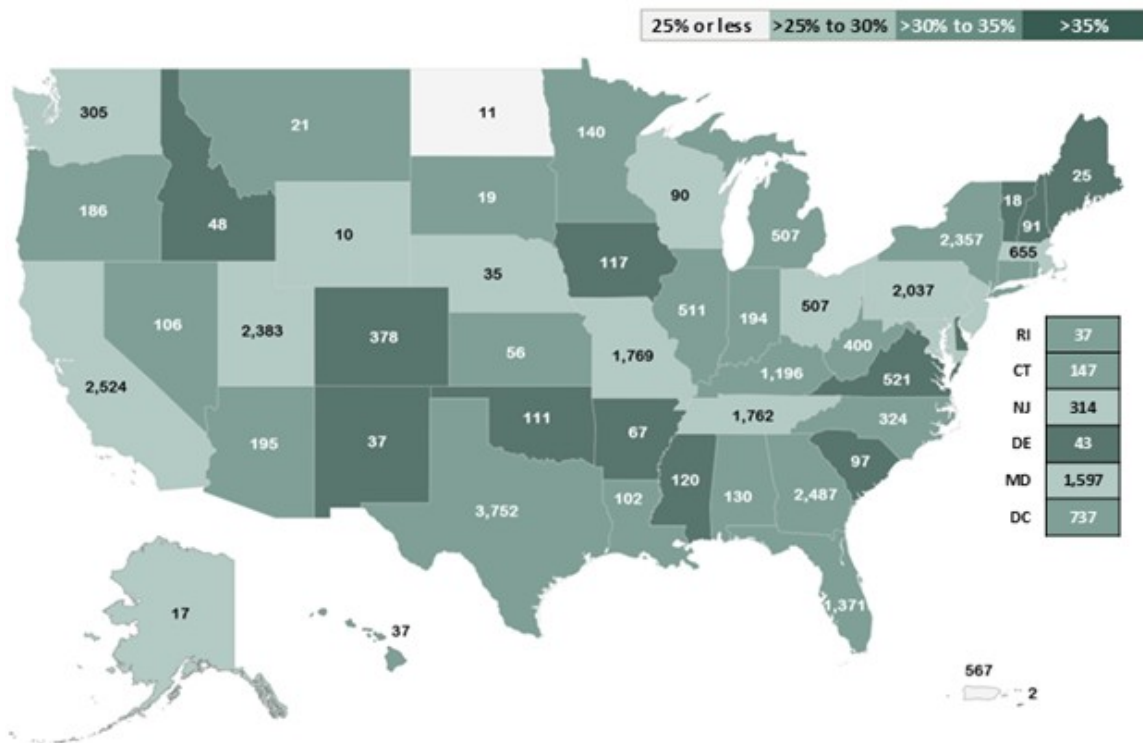
Figure 6: Top 6 IRS Job Series Affected by the Separations With the Count and Percentage Impact



Source: TIGTA analysis of IRS Human Capital Office data (January 2026), TIMIS data, and OPM's Handbook of Occupational Groups and Families.

These separations had nationwide implications. Every state, Washington D.C., Puerto Rico, and the Virgin Islands [hereafter referred to as state(s)] had employees who separated from the IRS. Texas, California, Georgia, and Utah had the highest numbers of employee separations. Idaho, Maine, Iowa, and Vermont had the highest percentage of employee separations compared to the IRS workforce in those states. Figure 7 shows the states where separated employees worked, as compared to the IRS workforce in the state.

Figure 7: Employee Separations by State



Source: TIGTA analysis of IRS Human Capital Office data (January 2026) and TIMIS data.

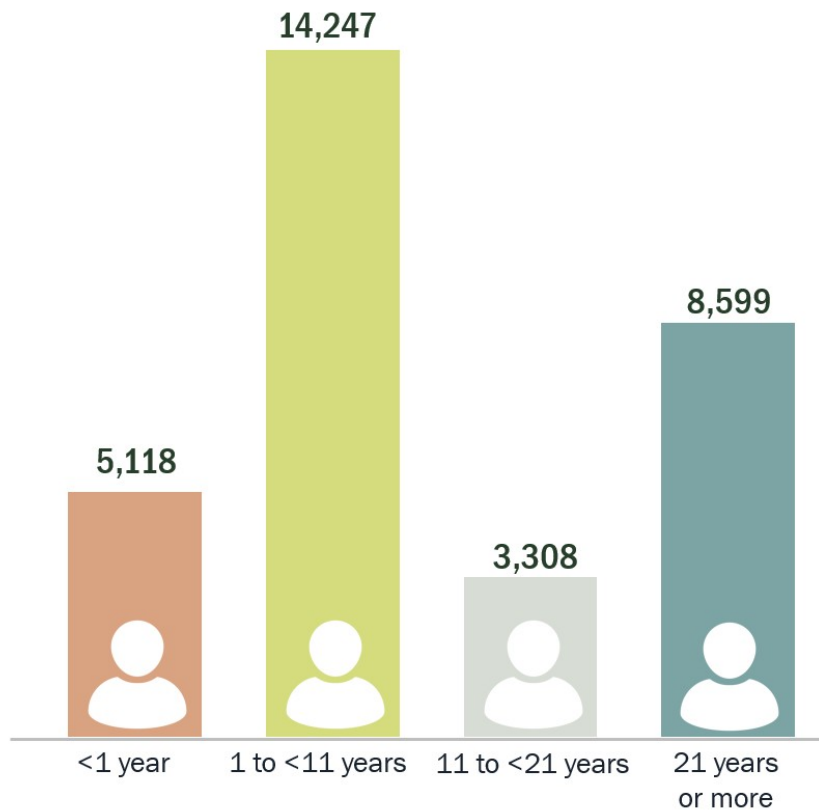
Demographics of Employees Who Separated From the IRS

According to IRS records, 31,273 employees separated, took a DRP offer, or used some other incentive to leave. The departures represent approximately 30 percent of the IRS's workforce and impact certain business units more than others. The following sections break down the demographics of the 31,273 employees.

How many years of IRS service did separated employees have?

According to the IRS, separated employees had varying years of experience, with many having 11 or more years of IRS service. Figure 8 highlights separated employees' years of IRS service.⁷

Figure 8: Separated Employees' Years of IRS Service



Source: TIGTA analysis of IRS Human Capital Office's DRP data (January 2026) and TIMIS data.

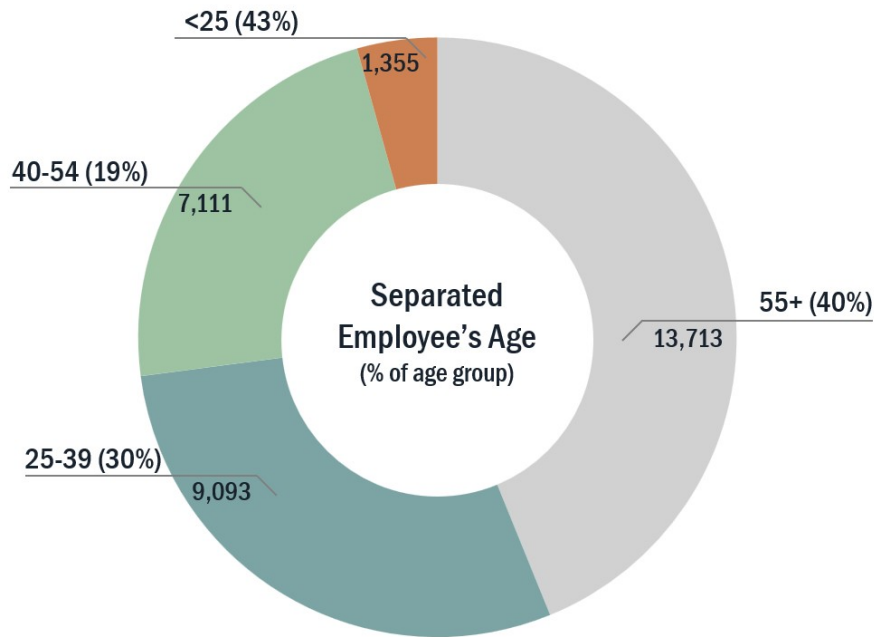
What were the ages of separated employees?

Workforce reductions had a greater impact on certain age groups within the IRS workforce. For example, 1,355 separated employees were under 25 years old, which represented 43 percent of all IRS employees in that age group. 13,713 employees, or 40 percent of employees age 55 or older separated from the IRS.

⁷ We calculated years of service as of January 10, 2026.

Figure 9 shows the age groups for all employees who separated from January 2025 to January 10, 2026. The figure displays the number of employees who separated and the percentage of those employees by age group.

Figure 9: Number of Separated Employees and the Percentage of Reduction by Age Group



Source: TIGTA analysis of IRS Human Capital Office data (January 2026) and TIMIS data.⁸

Hiring Efforts

With the high number of separations in 2025, and the need to balance work inventories, the IRS offered some employees who took a deferred resignation the opportunity to return to work. The IRS opened vacancies to fill select positions. Of the more than 21,000 employees approved for one of the two DRPs, we identified 1,262 who were offered a chance to return to work. Ultimately, 422 of the 1,262 employees returned to the IRS as of January 2026.

Between September 2025 and January 10, 2026, the IRS also hired 2,287 employees to support the Taxpayer Services business unit. Those hired include 2,238 contact representatives and 49 tax examiners.⁹ However, 590 of the 2,287 employees hired were existing IRS employees accepting the new positions.¹⁰

⁸ The totals in Figures 8 and 9 do not sum to 31,273. One employee did not have TIMIS data available for analysis. We calculated years of service as of January 10, 2026.

⁹ Contact representatives provide over-the-phone technical assistance to taxpayers.

¹⁰ The number of hires constantly changes as the IRS onboards new employees, processes personnel actions, and moves some employees from one organization to another.

Staff Reassignment and Restructuring Efforts

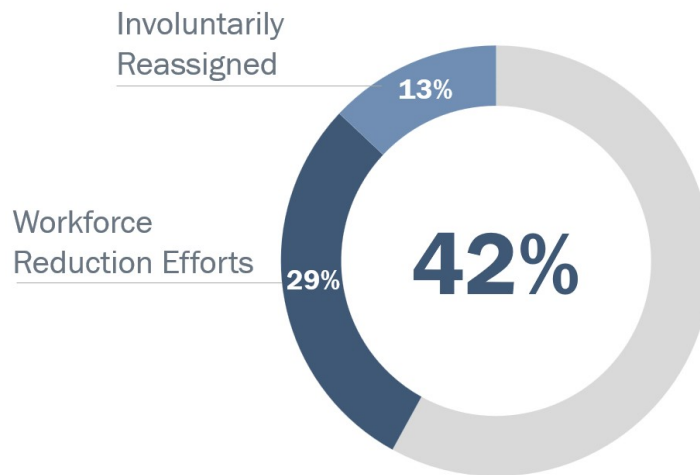
In addition to the separations and hirings, the IRS made reassignments and restructuring decisions that affected its workforce.

Loss of IT Employees Through Restructurings and Reassignments

The IRS lost 2,497 IT business unit employees due to separation or workforce reduction efforts. These separations resulted in a 29 percent reduction in IT department staffing. The IRS also restructured its IT department during 2025. According to the IRS, restructuring the IT department allowed them to simplify and align technical work with the agency's mission and core functions.

This restructuring reassigned 1,143 IT department employees to the Chief Operating Officer's staff. IRS officials stated that the reassignment was not performance-related but was done to support Chief Operating Officer responsibilities. These responsibilities include overseeing the IRS's integrated support functions, facilitating economy-of-scale efficiencies, and instituting better business practices. Figure 10 shows the overall effect of the 42 percent reduction in the IT department.

Figure 10: 42 Percent of IRS IT Employees Were Reassigned or Separated Due to Workforce Reduction Efforts



Source: TIGTA analysis of IRS Human Capital Office data (January 2026) and TIMIS data.

Also, in preparation for the restructuring, over 1,300 IT employees took a skills assessment where they were told the results would establish a baseline understanding of their collective strengths and areas for development. However, IRS officials later clarified this assessment was not related to the restructuring and was used to stress test assumptions related to employees' readiness to compete with private sector peers in similar job functions. IRS officials also said that the assessment results were not used for any decision-making purposes.

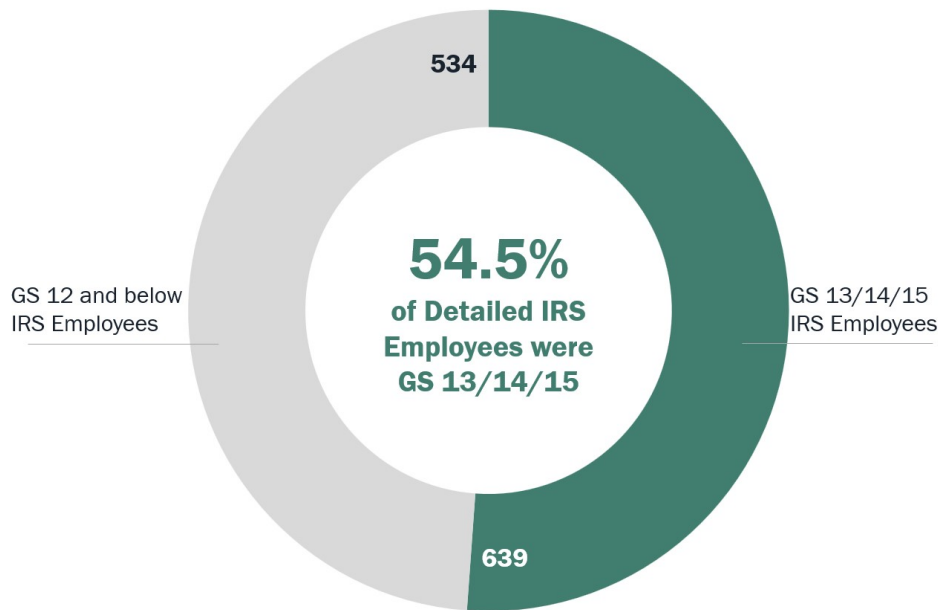
Additional IRS Employees Involuntarily Detailed

With 11,330 employees leaving Taxpayer Services from January 2025 to January 10, 2026, the IRS involuntarily detailed 1,173 employees from other business units to Taxpayer Services. The IRS stated that the involuntary detail was to address critical staffing shortages and potential

filing season backlogs. The detail was for 120 days to assist with the 2026 Filing Season. The employees were detailed on February 22, 2026, with a tentative end date of June 13, 2026, although the majority were subsequently extended for an additional 120 days. The IRS notified affected employees of the involuntary detail to serve as contact representatives or managers. Although temporarily detailed, the affected employees will remain in their position of record with the same pay and benefits.

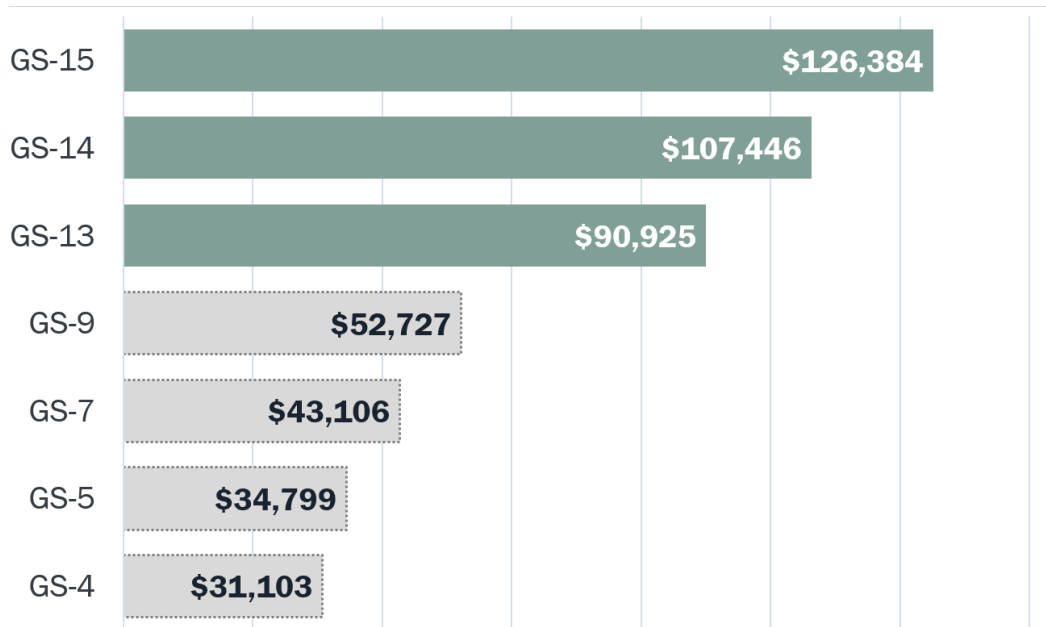
According to the IRS, of the 1,173 employees on detail, 639 (54.5 percent) are employees paid at OPM General Schedule (GS) grade levels 13, 14, and 15. Positions at these grade levels often include senior, supervisory, and highly specialized technical employees. However, the positions to which they are detailed are at lower GS grade levels. For example, contact representatives are typically between GS-5 and GS-9 levels. Figure 11 shows the breakdown of the GS grade levels of the 1,173 employees, while Figure 12 shows the pay scale variations of the different grade levels.

Figure 11: More Than Half of Detailed Employees Moved From Higher Graded Positions to Lower Graded Duties, Maintaining Pay and Benefits



Source: TIGTA analysis of IRS Human Capital Office data (January 2026) and TIMIS data.

Figure 12: 2026 OPM Base Salary Pay Scale Variation



Source: U.S. OPM Pay Table, 2026 GS (Base Pay Scale), Step 1 levels. These salaries do not include any locality pay which is based on the employee's work location.

TIGTA's Office of Audit is performing a separate review to assess the impact of the IRS redeploying resources to Taxpayer Services. Staffing levels reflected in this report do not account for personnel reassigned before the 2026 tax season.

IRS Employees Reassigned to Treasury Common Services Center

In September 2025, Treasury also started pulling some administrative employees from the IRS and other bureaus into a centralized division called the Treasury Common Services Center. This reassignment affected 112 employees from the IRS's Human Capital Office and the Office of Online Services. This center will operate within Treasury's Office of Management and bring together human resources processing, common IT functions, and travel and acquisition operations. However, starting in January 2026, the IRS said that these employees are being returned due to a pause in implementation. The IRS also stated an additional 27 employees from the IRS's Office of Procurement were detailed to the center and currently remain in that position.

Overview of the Current Executive Environment Within the IRS

The IRS has seen an influx of changes among its staff due to various separations. These changes also affected high-ranking IRS officials, including the role of Commissioner of Internal Revenue. For example, during 2025, the IRS had seven different commissioners.

The IRS said that 142 of its Senior Executive Service (SES), or roughly 46 percent, separated, took a DRP offer, or used some other incentive to leave as of January 2026. Members of the SES serve in key IRS positions just below top presidential appointees.

Prior to January 2025, the two IRS noncompetitive appointment positions that were subject to Presidential Appointment with Senate confirmation were the Commissioner of Internal Revenue and the IRS Chief Counsel. During 2025, the IRS expanded the number of senior positions that

may be filled through noncompetitive appointment authorities. This includes the Chief Executive Officer, the Deputy Chief of Criminal Investigation, Human Capital Officer, the Chief Financial Officer, and the Chief of Staff. According to the IRS, these positions do not require Senate confirmation. The IRS Chief Executive Officer also currently serves as the Commissioner of the Social Security Administration, which does require Senate confirmation.

The IRS's creation of new senior positions, and the redesignation of certain existing positions as noncompetitive appointments, is a change in the agency's governance structure. Expanding the use of noncompetitive appointments to functions traditionally led by career officials may affect perceptions of independence and continuity of agency operations. Unlike many large federal agencies, the IRS has historically operated with very few Senate-confirmed or other politically appointed leadership positions, reflecting Congress's belief in the importance of maintaining a stable, career-led tax administration function.

Appendix I

Detailed Objective, Scope, and Methodology

Our overall objective was to provide an update on the IRS's efforts to reduce its workforce. To accomplish our objective, we:

- Obtained information from the IRS on employees who accepted and were approved for the DRP and TDRP offers to voluntarily resign or retire from the IRS.
- Obtained information from the IRS on employees who were part of the RIF from the IRS.
- Independently compared and verified select fields from IRS time-and-attendance information.
- Compiled demographic information on employees who accepted the DRP, TDRP, VERA, and VSIP offers and employees who were given RIF notices.
- Obtained information from the IRS for employees that returned to the IRS after previously separating via the DRP, TDRP, VERA, and VSIP offers and employees who were given RIF notices.
- Obtained information on employees who were reassigned.
- Obtained information on the current status of the IRS Executive Office organizational chart, and the IRS's hiring efforts to fill critical vacancies.

Performance of This Review

This review was performed with information obtained from the IRS Office of Human Capital in 2025 and 2026 for the time period of January 2025 through January 10, 2026. We conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Federal Offices of Inspector General*. Those standards require that the work adheres to the professional standards of independence, due professional care, and quality assurance and followed procedures to ensure accuracy of the information presented. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Data Validation Methodology

We analyzed data that the IRS Human Capital Office provided. We compared select data fields to records in TIMIS and the Discovery Directory. We did not independently validate the data for this informational report.

Appendix II

Abbreviations

DRP	Deferred Resignation Program
GS	General Schedule
IRS	Internal Revenue Service
IT	Information Technology
OPM	U.S. Office of Personnel Management
RIF	Reduction in Force
SES	Senior Executive Service
TDRP	Treasury Deferred Resignation Program
TIGTA	Treasury Inspector General for Tax Administration
TIMIS	Treasury Integrated Management Information System
Treasury	Department of the Treasury
VERA	Voluntary Early Retirement Authority
VSIP	Voluntary Separation Incentive Program



**To report fraud, waste, or abuse,
contact our hotline on the web at
<https://www.tigta.gov/reportcrime-misconduct>.**

**To make suggestions to improve IRS policies, processes, or systems
affecting taxpayers, contact us at www.tigta.gov/form/suggestions.**

Information you provide is confidential, and you may remain anonymous.