

MEMO# 24257

April 22, 2010

Draft Comment Letter on IRS TIN-Masking Pilot Program -- Comments Requested by April 29, 2010

ACTION REQUESTED

[24257]

April 22, 2010

TO: PENSION COMMITTEE No. 11-10

PENSION OPERATIONS ADVISORY COMMITTEE No. 9-10

TAX COMMITTEE No. 11-10

OPERATIONS COMMITTEE No. 7-10

TRANSFER AGENT ADVISORY COMMITTEE No. 20-10

PRIVACY ISSUES WORKING GROUP No. 4-10 RE: DRAFT COMMENT LETTER ON IRS TIN-MASKING PILOT PROGRAM -- COMMENTS REQUESTED BY APRIL 29, 2010

Attached for your comments is a draft comment letter to the IRS on the pilot program announced in Notice 2009-93 that allows information return filers to truncate an individual payee's nine-digit identifying number (typically, a social security number) on paper payee statements for Forms 1099, 1098, and 5498 for calendar years 2009 and 2010. [\[1\]](#)

As we discussed in respective Committees and during the joint conference call on the pilot program on February 25, 2010 [\[2\]](#), the letter applauds the IRS for adopting the program and recommends the following:

- The pilot program should be made permanent.
- It should extend to all tax forms and documents that are furnished to taxpayers. It should also extend to employer identifying numbers.
- It should extend to taxpayer statements that are provided electronically.

- The program should remain voluntary.
- Consistent with the Institute's prior recommendations to the IRS on this issue [3], the letter recommends that the program allow the payor to mask the entire taxpayer identifying number. In the event the IRS preserves the partial truncation method in the final program, we recommend that it continue to permit masking the first five digits of an identifying number and leaving the last four digits visible.
- The letter recommends against a new requirement that a filer must provide the complete identifying number on the payee statement if the payee requests it.

Please submit your comments to the undersigned by April 29th, COB, at adriggs@ici.org or (202) 218-3573. The comments are due to the IRS on May 1, 2010.

Anna Driggs
Associate Counsel

[Attachment](#)

endnotes

[1] See [Memorandum](#) to Pension Members No. 57-09, Tax Members No. 30-09, Operations Members No. 26-09, Transfer Agent Advisory Committee No. 85-09, Privacy Issues Working Group No. 17-09 [23969], dated November 23, 2009.

[2] See [Memorandum](#) to Pension Committee No. 3-10, Pension Operations Advisory Committee No. 3-10, Tax Committee No. 5-10, Operations Committee No. 4-10, Transfer Agent Advisory Committee No. 10-10, Privacy Issues Working Group No. 1-10 [24138], dated February 18, 2010.

[3] See [Memorandum](#) to Pension Members No. 40-09, Tax Members No. 20-09, Operations Members No. 19-09, Transfer Agent Advisory Committee No. 65-09, Privacy Issues Working Group No. 11-09 [23745], dated August 31, 2009; [Memorandum](#) to Pension Members No. 25-09 [23510], dated June 5, 2009; [Memorandum](#) to 529 Plan Members No. 1-09, Accounting/Treasurers Members No. 23-09, International Members No. 11-09, Tax Members No. 11-09, Transfer Agent Advisory Committee No. 39-09; [Memorandum](#) to Pension Members No. 55-08, Tax Members No. 31-08, Operations Members No. 14-08, Transfer Agent Advisory Committee No. 53-08, Privacy Issues Working Group No. 12-08 [22882], dated September 19, 2008.