

MEMO# 25115

April 18, 2011

IRS Extends SSN-Masking Pilot Program to 2011 and 2012

COMMENTS REQUESTED

[25115]

April 18, 2011

TO: PENSION COMMITTEE No. 14-11
PENSION OPERATIONS ADVISORY COMMITTEE No. 10-11
TAX COMMITTEE No. 20-11
OPERATIONS COMMITTEE No. 12-11
TRANSFER AGENT ADVISORY COMMITTEE No. 25-11
PRIVACY ISSUES WORKING GROUP No. 1-11 RE: IRS EXTENDS SSN-MASKING PILOT PROGRAM TO 2011 AND 2012

Notice 2011-38 extends for two years (2011 and 2012) the two-year pilot program [\[1\]](#) for truncating social security numbers on paper payee statements to allow more time for the IRS and taxpayers to evaluate the program. [\[2\]](#) The pilot program allows financial institutions to mask (or truncate) the first five digits of SSNs on paper statements mailed to payees on Form 1099, Form 5498, and Form 1098. Except for excluding Form 1098-C, Contributions of Motor Vehicles, Boats and Airplanes [\[3\]](#), from the pilot program, IRS extended the program without changes. [\[4\]](#) Comments on the pilot program are due July 29, 2011.;

The IRS is soliciting comments on the issues encountered by payors and payees in the pilot program, whether payors should be allowed to truncate a payee's EIN, and whether it should permit truncation on additional types of payee statements and on statements furnished electronically.

We anticipate that the Institute will file a comment letter and we will hold a conference call in June to discuss issues for the Institute's comment letter. In the meantime, please share your experiences regarding the program with Anna Driggs at adriggs@ici.org or your ICI staff contact for the above-listed Committees.

Anna Driggs
Associate Counsel

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] Notice 2011-38 is available at <http://www.irs.gov/pub/irs-drop/n-11-38.pdf>.

[3] Notice 2011-38 excludes Form 1098-C from the extended pilot program because this form is not a payee statement.

[4] For ICI comment letter on the original pilot program, see [Memorandum](#) to Pension Members No. 12-10, Tax Members No. 12-10, Operations Members No. 5-10, Transfer Agent Advisory Committee No. 21-10, Privacy Issues Working Group No. 5-10 [24279], dated May 4, 2010.

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