

MEMO# 24279

May 4, 2010

ICI Files Comment Letter Supporting IRS TIN-Masking Pilot Program

[24279]

May 4, 2010

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 RE: ICI FILES COMMENT LETTER SUPPORTING
IRS TIN-MASKING PILOT PROGRAM

On April 30, the Institute filed the attached comment letter with the IRS on the pilot program announced in Notice 2009-93. The pilot program 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. [\[1\]](#) The letter supports making the pilot program permanent but makes the following recommendations:

- It should extend to all tax forms and documents that are furnished to taxpayers. It should also extend to employer identifying numbers (EINs).
- 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 [\[2\]](#), the letter recommends that the program allow the payor the option to mask the entire taxpayer identifying number. In the event the IRS preserves the partial truncation method in the final program, the Institute recommends that the IRS continue to permit

masking the first five digits of an identifying number and leaving the last four digits visible.

- The IRS should not require a filer to provide the complete identifying number on the payee statement if the payee requests it.

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 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.

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