

MEMO# 10973

May 12, 1999

FEDERAL OFFICE OF CHILD SUPPORT ENFORCEMENT - MULTISTATE FINANCIAL INSTITUTION DATA MATCH 1999 CALENDAR AND ELECTION FORM

1 See ICI Memorandum "Federal Office of Child Support Enforcement - Financial Institution Data Match Program" dated December 1, 1998 to above distribution, which introduces the OCSE's multistate program and includes targeted implementation dates. [10973] May 12, 1999 TO: OPERATIONS COMMITTEE No. 18-99 PRIMARY CONTACTS - MEMBER COMPLEX No. 51-99 SEC RULES COMMITTEE No. 37-99 TRANSFER AGENT ADVISORY COMMITTEE No. 30-99 RE: FEDERAL OFFICE OF CHILD SUPPORT ENFORCEMENT - MULTISTATE FINANCIAL INSTITUTION DATA MATCH 1999 CALENDAR AND ELECTION FORM

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), also known as Welfare Reform, requires all 54 states and territories to conduct a quarterly data match with financial institutions (defined under PRWORA to include money market mutual funds) operating in a state or territory in order to locate assets belonging to parents who are delinquent in their child support obligations. As previously reported to members, The Child Support Performance and Incentive Act of 1998 amended PRWORA to allow the Federal Office of Child Support Enforcement (OCSE) to work on behalf of the states with multistate financial institutions, permitting the receipt and distribution of data required by PRWORA at a single locale. Financial institutions have the option of participating in the Multistate Financial Institution Data Match (MSFIDM) program through the OCSE or reporting separately to those states in which they do business.¹ The OCSE has requested that we forward to Institute members the attached letter and election form package entitled "Multistate Financial Institution Data Match For Calendar Year 1999." These materials already may have been received by an affiliate in your complex as the OCSE recently completed a mailing to those financial institutions contained in their database. The attached materials outline the OCSE's MSFIDM program, including background information, PRWORA requirements, definitions, eligible participants, liability protections and workload impacts. The package also contains a description of the types of media available for the MSFIDM process, a data match timeline, the Election Form and instructions, -2- should you choose to participate in the program. The OCSE provided the following clarifications with respect to the attached materials: ! Financial institutions must return the attached Election Form no later than June 1, 1999 in order to participate in the first scheduled quarterly data match, which will occur during the third quarter of 1999. Financial institutions who chose to participate in the program and return their Election Forms after June 1, 1999 are not excluded from the program; rather, they will be scheduled to participate in a subsequent

processing quarter. ! If practical, members may chose to complete and return one Election Form for their complex by referencing and attaching a detailed listing of each multistate financial institution (i.e., money market fund) and its respective tax identification number. The OCSE has adopted a nationwide reporting format for matching data that closely follows the 1099 reporting requirements (IRS Publication 1220 Rev. 7-97). The program uses the "matched accounts method." Copies of the OCSE's Financial Data Match Specifications Handbook that includes record layout for the reporting format can be obtained from their website at www.acf.dhhs.gov/programs/cse. Members that are interested in participating in the MSFIDM program through the OCSE and have questions may contact Ann Barkley of the OCSE at 202/255-8985. Please contact either of the undersigned (Kathy Joaquin at 202/326-5930 or Marguerite Bateman at 202/326-5813) if you have any other questions regarding this issue. Kathleen C. Joaquin Director - Transfer Agency & International Operations Marguerite C. Bateman Associate Counsel Attachments

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.