

MEMO# 10756

February 25, 1999

IRS WILL ALLOW ELECTRONIC SUBMISSION OF FORMS W-4P

[10756] February 25, 1999 TO: OPERATIONS MEMBERS No. 8-99 PENSION MEMBERS No. 13-99 PENSION OPERATIONS ADVISORY COMMITTEE No. 11-99 TAX MEMBERS No. 12-99 TRANSFER AGENT ADVISORY COMMITTEE No. 16-99 RE: IRS WILL ALLOW ELECTRONIC SUBMISSION OF FORMS W-4P

The Internal Revenue Service has released Announcement 99-6, permitting payors to establish a system to electronically receive Forms W-4P, Withholding Certificate for Pension or Annuity Payments, as well as certain other withholding forms. The Announcement lists a number of requirements for such a system. For example, any such system must ensure that the information electronically received by the payor is the information sent by the payee. The system also must document all occasions of user access that result in an electronic submission, and the design and operation of the system, including access procedures, must make it reasonably certain that the person accessing the system and submitting the form is the person identified on the form. An electronically submitted form must provide the payor with the same information as the paper form and be signed with an "electronic signature." The electronic signature must identify the payee submitting the electronic form and authenticate the submission. The electronic signature must be the final entry in the submission. Upon request by the Service, the payor must provide a hard copy of the electronic Form W-4P and a statement that, to the best of the payor's knowledge, the electronic Form W-4P was submitted by the named payee. The hard copy must provide exactly the same information as, but need not be a facsimile of, the paper form. In addition, payors who establish such a system must comply with applicable recordkeeping requirements. Russell G. Galer Senior Counsel Attachment Note: Not all recipients receive the attachment. To obtain a copy of the attachment referred to in this Memo, please call the ICI Library at (202) 326-8304, and ask for attachment number 10756. ICI Members may retrieve this Memo and its attachment from ICINet (<http://members.ici.org>).