

AMERICAN PAYROLL ASSOCIATION

October 8, 2020

The Honorable Charles P. Rettig, Esq.
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224-0001

Re: Request for electronic receipt of IRS wage levies and to remit payments electronically

Dear Commissioner Rettig:

The American Payroll Association (APA) requests that the Internal Revenue Service (IRS) enhance its electronic communications to create capabilities for the electronic receipt of IRS levies on employee wages and for employers to remit wage levy payments electronically.

Response to COVID-19 Increases the Need for Electronic Levy Capabilities

The challenges highlighted by the pandemic are the reason APA is asking the IRS to develop electronic management of wage levy orders and payments. Many employers and their payroll departments, like the IRS, established new protocols under COVID-19 for employees to work from home if tasks were not dependent on the employees' physical presence at an employer's place of business. However, the management of federal tax levies on employee wages requires delivery by the IRS of a paper Form 668-W, *Notice of Levy on Wages, Salary, and Other Income*, to a physical mailing address and payment of the amounts withheld by employers on paper checks mailed to the IRS. This process requires payroll professionals to travel to their employer's physical office to obtain levy documents and process payments despite state and local government stay-at-home orders designed to protect individuals' health and safety. Having essential payroll staff take such risks to ensure proper processing of tax levies on employees' wages should not be necessary because the IRS has not implemented available technology allowing electronic levy distribution and payments.

History of Levy Partnership Between the IRS and APA

Many years ago, long before the COVID-19 pandemic, APA approached the IRS about the importance of electronic wage levy capabilities to reduce the administrative burden on both employers and the IRS. The IRS's Small Business/Self Employed (SB/SE) Operating Division partnered with APA in March 2018 to offer an eFax option for delivering levies. The project, called the "eLevy Initiative for Wage Levies," consisted of employers receiving levies electronically via a fax. Discussions also were held regarding a second phase for remitting payments electronically. Employers receiving a faxed levy gained some relief from the administrative burden of managing tax levies, but systematically generated levies were not part of the eFax option, which represents the bulk of levies employers receive. The APA and IRS SB/SE have not engaged in further

conversations partly because the decision to create electronic levy capabilities is made at a higher level within the IRS and U.S. Department of the Treasury.

Existing Federal Communication System Offers a Model for Tax Levies

For purposes of considering how to implement an electronic wage levy system, APA brings to your attention a system designed and implemented by the federal Office of Child Support Enforcement (OCSE) within the U.S. Department of Health and Human Services. Employers already taking advantage of the OCSE system to receive child support orders and make payments of amounts withheld from employees' wages are well positioned to also accept and transmit wage levies using a similar model.

The OCSE has a system in place for all state child support enforcement agencies to transmit Income Withholding Orders to employers through a federal portal. This process has been especially beneficial during the pandemic because it enables participating employers to receive orders electronically. All 50 states accept child support payments through the Automated Clearing House (ACH) network (several of those states mandate electronic payments), thus eliminating the need to print and mail paper checks for child support payments.

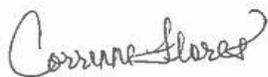
We encourage the IRS to consider adopting a model similar to the OCSE system for issuing and/or updating tax levies. We also encourage the IRS to enable tax levy payments via the ACH network.

About the APA

The APA is a nonprofit professional association representing more than 20,000 payroll professionals in the United States. The APA's primary mission is to educate its members and the payroll industry about the best practices associated with paying America's workers while complying with applicable federal, state, and local laws. In addition, the APA's Government Relations Task Force works with the legislative and executive branches of government to find ways to help employers satisfy their legal obligations, while minimizing the administrative burden on government, employers, and individual workers.

The APA welcomes the opportunity to discuss electronic communication capabilities with you further. Please contact Corri Flores by email at corrinne.flores@adp.com or by phone at 909-895-9565, or Alice Jacobsohn by email at ajacobsohn@americanpayroll.org or by phone at 202-669-4001.

Sincerely,



Corrinne Flores
Chair, Garnishments Subcommittee



Alice P. Jacobsohn, Esq.
Director, Government Relations

Cc: Sunita Lough, Deputy Commissioner for Services and Enforcement
Jeff Tribiano, Deputy Commissioner for Operations Support