



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

March 03, 2025

Control Number: SBSE-05-0325-0008
Expiration Date: March 03, 2027
Affected IRM: 5.14.5; 5.14.1; 5.14.10

MEMORANDUM FOR DIRECTOR, FIELD COLLECTION

FROM: Thomas Kramer
Director, Collection Policy Thomas D. Kramer

Digitally signed by Thomas D. Kramer
Date: 2025.03.03 08:48:12 -08'00'

SUBJECT: Interim Guidance for Field Collection on Simple Payment Plans
(Formerly Streamlined Installment Agreements) for IMF Accounts
with Balances Up to \$50,000

This memorandum provides interim guidance to SB/SE Field Collection employees about the transition from the Streamlined Installment Agreement to the new Simple Payment Plan for **IMF only** accounts with an unpaid balance of assessment (UBA) of up to \$50,000. The guidance outlined in this memorandum will remain in effect until updates to the following Internal Revenue Manuals (IRMs) 5.14.5.2, 5.14.5.5, 5.14.1.2, 5.14.1.6, 5.14.1-2, 5.14.1-5, 5.14.10.2, 5.14.10.4, are published.

Please ensure this information is distributed to all impacted employees within your organization.

Purpose:

The purpose of this memorandum is to introduce the Simple Payment Plan (formerly Streamlined Installment Agreement) for IMF only accounts and to highlight new procedural guidance and routing instructions. Simple payment plans will make the criteria more flexible and accessible for IMF accounts with a UBA of up to \$50,000. Streamlined Installment Agreements will remain for BMF entities (Form 1120 or Form 1065 liabilities), IAs with cross-referenced BMF/IMF accounts and out of business BMF entities.

Procedural Change:

This Interim Guidance Memorandum SBSE-05-0325-0008 outlines the new Simple

Payment Plan criteria:

- **Removal of Direct Debit Installment Agreement (DDIA) or Payroll Deduction Installment Agreement (PDIA) determination:** Simple Payment Plans can now be established with a UBA of \$50,000 or less without requiring a DDIA or PDIA.
- **Removal of 72 month payment term calculation methodology:** Minimum monthly payments are no longer determined by dividing the CC SUMRY balance (UBA of \$50,000 or less) by 72 months.

For IMF accounts with a UBA of \$50,000 or less, installment payments must now be calculated using the IAT Compliance Suite Payment Calculator. This tool validates the minimum payment required to resolve all balances, including accrued penalties and interest, by the Collection Statute Expiration Date (CSED).

Additional criteria for Simple Payment Plans:

- The CSED is protected.
- The entity type is IMF.

Note: See IRM 5.14.4.3(2), (3), and (4) for guidance when your request involves combining related IMF/BMF or IMF/IMF accounts into one IA. All other IA options, including Streamlined, should be considered when a BMF cross-reference exists.

- No NFTL determination is required.
- No managerial approval is required.
- No Collection Information Statement (CIS) is required.

Until ICS is updated, a Simple Payment Plan may be closed on ICS by selecting Streamlined Installment Agreement. However, due to ICS system limitations, the following temporary procedures should be taken for closing Simple Payment Plan/non-DDIA cases with balances greater than \$25,001 on IMF only accounts:

1. In the ICS Installment Agreement menu, select "Option A-IA" and choose Routine IA, Not PPIA under IA type.
2. Managerial approval is not required for Simple Payment Plans. However, the system will systemically generate a managerial approval notification.
3. Document the ICS case history with justification for the closure type before submitting the IA for approval.
4. Note the ICS history with the following comment:

This is a Simple/non-DDIA closure based on the new Simple Payment Plan outlined in the IGM SBSE-05-0325-0008. Managerial approval is not required.

5. After managerial approval, a Form 433-D will generate a copy only.

6. Send the closed case file to CCP using ICS generated Form 3210 to:

**Internal Revenue Service
2970 Market Street
Mail Stop 5-E04.115
Philadelphia, PA., 19104**

7. Mail the systemically generated Letter 2850, ICS Installment Agreement Confirmation, to the taxpayer and their representative (if applicable).

Note: Updates to ICS functionality to support a separate Simple Payment Plan closure option are planned for future programming.

Effect on Other Documents:

This guidance will be incorporated into IRM 5.14.5, Streamlined, Guaranteed and In-Business Trust Fund Express Installment Agreements, IRM 5.14.1, Installment Agreements, Securing Installment Agreements, IRM 5.14.10, Installment Agreements, Payroll Deduction Agreements and Direct Debit Installment Agreements, within two years from the date of this memorandum.

Effective Date:

This guidance is effective March 03, 2025.

Contact:

If you have any questions regarding the guidance in this memorandum, you may contact Case Resolution Alternatives Program Manager, Eric Slayback, or a member of your staff may contact Collection Policy Program Analysts, Edward Reale and Charles Mueller.

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