



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.11.6

MARCH 14, 2024

EFFECTIVE DATE

(03-14-2024)

PURPOSE

- (1) This transmits a revised IRM 5.11.6, Notice of Levy, Notice of Levy in Special Cases.

MATERIAL CHANGES

- (1) The following table outlines changes made to IRM 5.11.6.

IRM Number	IRM Subsection Title	IRM Changes
IRM 5.11.6.1.6	Terms/Definitions/ Acronyms	Add a reference to Form 668-R.
IRM 5.11.6.1.7	Related Resources	Revised to update SharePoint links.
IRM 5.11.6.3(1)	Funds in Pension or Retirement Plans	Added a note with more context on inherited IRAs.
IPU 22U0694 issued 06-07-2022 IRM 5.11.6.3(10)	Funds in Pension or Retirement Plans	Revised to add information & an example about eApproval SharePoint platform.
IPU 22U0694 issued 06-07-2022 IRM 5.11.6.3.1(10)	Thrift Savings Plan	Revised to update the address for the new service provider for TSP levies.
IRM 5.11.6.7.5	Farm Service Agency Program Payments	Revised to update the county link for the Farm Service Agency Program.
IRM 5.11.6.10(2)	United Nations (UN) Employees' Income	Added note to show that UN staff receive a Form 1099 MISC/ Form 1099 NEC as income and added reference to Delegation Order 5-3 (Rev. 1).
IPU 22U0694 issued 06-07-2022 IRM 5.11.6.10(3)	United Nations (UN) Employees' Income	Revised to clarify that the State Department handles government contacts with the UN.

IRM Number	IRM Subsection Title	IRM Changes
IRM 5.11.6.11	Additional International Organizations	Added note to reference closely associated institutions that make up World Bank.
IRM 5.11.6.13.1(2)(b)	Wages and Salary	Modify to add an example to b) for info.
IRM 5.11.6.21	Digital Asset	“Virtual currency” is replaced with “Digital Asset” throughout.
IRM 5.11.6.21.1	Digital Asset Levy	“Virtual currency” is replaced with “Digital Asset Levy” throughout.
IRM 5.11.6.21.1(1)	Digital Asset Levy	Updated information on digital asset wallets and exchanges.
IRM 5.11.6.21.1(2)	Digital Asset Levy	Added definition of Digital Assets.
IRM 5.11.6.21.1(2) to (6)	Digital Asset Levy	Replace virtual currency service provider with Virtual Asset Service Provider (VASP) .
IRM Exhibit 5.11.6-4	Acronyms	Update acronyms.
Throughout	Throughout	Editorial changes made throughout.

EFFECT ON OTHER DOCUMENTS

IRM 5.11.6 dated May 26, 2021 is superseded. IPU 22U0694 issued 06-07-2022 is incorporated.

AUDIENCE

SB/SE revenue officers and Civil Enforcement Advice and Support Operations (CEASO) advisors and the Appeals Office.

Rocco A. Steco
Director, Collection Policy

5.11.6

Notice of Levy in Special Cases

Table of Contents

5.11.6.1 Program Scope and Objectives

5.11.6.1.1 Background

5.11.6.1.2 Authority

5.11.6.1.3 Responsibilities

5.11.6.1.4 Program Management and Review

5.11.6.1.5 Program Controls

5.11.6.1.6 Terms/Definitions/Acronyms

5.11.6.1.7 Related Resources

5.11.6.2 Retirement Income

5.11.6.2.1 Social Security

5.11.6.2.2 Military Retirement

5.11.6.2.3 Civil Service Retirement

5.11.6.2.4 Railroad Benefits, Medal of Honor Winners, and Annuities for Military Families and Survivors

5.11.6.3 Funds in Pension or Retirement Plans

5.11.6.3.1 Thrift Savings Plan

5.11.6.3.2 Additional Rules for Retirement Plan Levies

5.11.6.4 Insurance

5.11.6.4.1 Cash Loan Value of Life Insurance

5.11.6.4.1.1 Serving the Levy

5.11.6.4.1.2 Payment for a Levy on the Cash Loan Value of Life Insurance

5.11.6.4.1.3 Actual Knowledge of the Tax Lien

5.11.6.4.2 Foreclosure on the Policy

5.11.6.4.3 Department of Veterans Affairs Insurance Policies

5.11.6.4.3.1 Levy on Dividends of VA Policies

5.11.6.4.3.2 Levy on Cash Loan Value of VA Insurance Policies

5.11.6.4.4 Insurance Company Employees

5.11.6.4.5 Death Benefits

5.11.6.5 Government Employees

5.11.6.5.1 Military Personnel on Active Duty

5.11.6.5.2 Military Class Q Allotments

5.11.6.5.3 Health and Human Services Employees

5.11.6.5.4 Postal Service Employees and Vendors

5.11.6.5.5 IRS Employees

5.11.6.6 Federal Contractors

5.11.6.6.1 Department of Defense Contractors

-
- 5.11.6.7 Levy on Other Government Payments
 - 5.11.6.7.1 Medicare Payments Paid to Beneficiaries
 - 5.11.6.7.2 Medicare Payments Paid to Providers
 - 5.11.6.7.3 Medicaid Payments Paid to Providers
 - 5.11.6.7.4 U.S. Savings Bonds—Series HH/H Interest Payments
 - 5.11.6.7.5 Farm Service Agency Program Payments
 - 5.11.6.7.6 Uniform Relocation Act Payments
 - 5.11.6.7.7 Fees for Attorneys of Social Security Claimants
 - 5.11.6.7.8 State Income Tax Refunds
 - 5.11.6.7.9 National Labor Relations Board and Backpay Awards
 - 5.11.6.8 Receivables
 - 5.11.6.8.1 Billing Services
 - 5.11.6.9 Securities—Stocks, Bonds, Mutual Funds, etc.
 - 5.11.6.10 United Nations (UN) Employees' Income
 - 5.11.6.11 Additional International Organizations
 - 5.11.6.12 Mutilated Currency
 - 5.11.6.13 Levy on Non-Liable Spouse in a Community Property State
 - 5.11.6.13.1 Wages and Salary
 - 5.11.6.13.2 Notice to the Non-Liable Spouse
 - 5.11.6.14 Levy on Inheritances
 - 5.11.6.15 Limited Liability Companies
 - 5.11.6.16 Levies on Merchant Accounts
 - 5.11.6.16.1 Merchant Accounts
 - 5.11.6.16.2 Determining the location of the Merchant Account
 - 5.11.6.16.3 Property the Merchant Account Levy Attaches
 - 5.11.6.16.4 Issuing a Merchant Account Levy
 - 5.11.6.16.5 Collecting from Charge Back Accounts
 - 5.11.6.17 Levy on Daycare
 - 5.11.6.18 Levy on Long-Term Care Facilities
 - 5.11.6.18.1 Additional Levy Considerations
 - 5.11.6.19 Levy on Qualified Tuition Program
 - 5.11.6.20 Levy on Employee Benefit Plan Assessments
 - 5.11.6.21 Digital Asset
 - 5.11.6.21.1 Digital Asset Levy

Exhibits

- 5.11.6-1 Addresses often used for Levy on Federal Contracts
- 5.11.6-2 National Labor Relations Board Addresses
- 5.11.6-3 Medicare Administrative Contractors (MACs)
- 5.11.6-4 Acronyms

5.11.6.1
(01-08-2020)
Program Scope and Objectives

- (1) **Purpose:** This IRM provides:
 - Instructions for levy determinations on different types of property.
 - Directions for the proper preparation and routing of special levies.
- (2) **Audience:** These procedures apply to IRS employees who are responsible for collection investigations and making levy determinations.
- (3) **Policy Owner:** Director, Collection Policy. Collection Policy is an organization under Small Business/Self-Employed Division (SBSE), Collection.
- (4) **Program Owner:** SBSE Collection Policy, Enforcement.
- (5) **Primary Stakeholders:** SB/SE revenue officers and CEASO.
- (6) **Program Goals:** Enforcement is a necessary component of a voluntary assessment system, see IRM 1.2.1.6.1, Policy Statement 5-1. While we will actively assist taxpayers to comply, we will also take appropriate enforcement actions when warranted to resolve the delinquency. Levies are an important enforcement tool. This IRM section provides the fundamental knowledge and procedural guidance for revenue officers in making levy determinations. It includes processes and considerations when issuing levies to attach the taxpayer's interest in a variety of types of property. By following the processes and procedures in this IRM, employees will be able to issue levies that are procedurally and legally correct to promote long-term voluntary compliance.

5.11.6.1.1
(07-08-2019)
Background

- (1) This Internal Revenue Manual (IRM) section provides revenue officers and collection advisors directions on levy determinations in special cases.
- (2) The Bipartisan Budget Act of 2018 allows amounts, including interest, returned to an individual from the IRS pursuant to a wrongful levy or erroneous levy on a IRA or employer-sponsored plan to be contributed to the IRA or employer-sponsored plan without regard to the general contribution limits. This new law is effective for amounts returned to individuals in taxable years beginning after December 31, 2017. The law added IRC 6343(f), Individuals Held Harmless on Wrongful Levy, etc. on Retirement Plan.

5.11.6.1.2
(01-08-2020)
Authority

- (1) Authorities relating to this section include:

Authority	Title
Internal Revenue Code IRC 6330	Notice and opportunity for hearing before levy
IRC 6331	Levy and distraint
IRC 6332	Surrender of property subject to levy
IRC 6333	Production of books
IRC 6334	Property exempt from levy
Treasury Regulations 301.6330-1	Notice and opportunity for hearing prior to levy
Treasury Regulations 301.6331-1	Levy and distraint

Authority	Title
Treasury Regulations 301.6332-2	Surrender of property subject to levy in the case of life insurance and endowment contracts
Treasury Regulations 301.6333-1	Production of books
Treasury Regulations 301.6334-1	Property exempt from levy
IRM 1.2.1.6.1	Policy Statement 5-1, Enforcement is a necessary component of a voluntary assessment system.
IRM 1.2.2.6.3	Delegation Order 5-3 (Rev-1), Levy on Property in the Hands of a Third Party (not to include Levy Form 668-B)
Notice 2010–33	IRB 2010–1 C.B. 609, Frivolous Positions
5 CFR Parts 1653	Court Orders and Legal Processes Affecting Thrift Savings Plan Account

5.11.6.1.3
(08-16-2017)
Responsibilities

- (1) The Director, Collection Policy is responsible for all policies within the levy program.
- (2) The National Program Manager, Enforcement is responsible for development and delivery of policies within the levy program.
- (3) Managers of revenue officers who issue levies are responsible for ensuring these procedures are followed and employee actions are timely and accurate.
- (4) Revenue officers are responsible for following the procedures in this IRM.

5.11.6.1.4
(05-26-2021)
Program Management and Review

- (1) Integrated Collection System (ICS) is used by field revenue officers as a method for generating levy documents that are issued to third party levy sources.
- (2) The Collection Activity Reports (CAR) report number 5000–24 records the total number of levies issued. Total Levies are the sum of Field, SB/SE ACS and W & I ACS (monthly and cumulative). The data sources are the ACS Customer Service Activity Reports (CSAR) - Monthly Support Site Report (ACS Levies) and ICS (Field Levies). See IRM 5.2.4.11, Levy and Seizure Report (Report Symbol NO-5000-24). The IRS has determined that levy data may be made available as national statistics, provided that such data will never be used to evaluate any employee or to suggest or impose production quotas or goals. See IRM 1.5.2, Managing Statistics in a Balanced Measurement System, Uses of IRC 1204 Statistics.
- (3) Levy program numbers are published yearly in the IRS Data Book, Delinquent Collection Activities.

- (4) Targeted program reviews performed by Collection Policy to measure if IRM guidance is procedurally and legally correct.
- (5) Management will ensure that revenue officers have the required knowledge of legal and procedural requirements necessary to appropriately issue levies in a variety of circumstances.

5.11.6.1.5 (05-26-2021) Program Controls

- (1) National Quality Review System (NQRS), attribute 417, Managerial Approvals for Enforcement provides independent collection review information from which management may draw inferences regarding overall case quality for this attribute. See IRM 5.13.1, Collection Quality Measurement, Embedded Quality Collection Field Organizations Administrative Guidelines.
- (2) Embedded Quality Review System (EQRS), Collection managers use EQRS to complete all case reviews for revenue officers.
- (3) Certain notices of levy must be approved by managers. See IRM 1.2.2.6.3, Delegation Order 5-3 (Rev-1), Levy on Property in the Hands of a Third Party (not to include Levy Form 668-B).
- (4) TIGTA performs a yearly audit titled, Statutory Review of Compliance With Legal Guidelines When Issuing Levies. The overall objective of the audit is to determine whether the IRS has complied with the requirements to notify taxpayers and their authorized representatives of the right to a Collection Due Process hearing prior to issuing levies and to suspend levy action during the time frames required pursuant to IRC 6330.
- (5) Programming safeguards are built into the ICS system to prevent a levy from being generated on a module where the required notices have not been issued.

5.11.6.1.6 (03-14-2024) Terms/Definitions/ Acronyms

- (1) Terms and acronyms associated with the field levy program include:

Term	Definition
Manual Levy	A manual ICS levy is a paper levy that is manually prepared and issued by an RO.
Paper levy	Either a manual or systemic levy on Form 668-A, Form 668-W or Form 668-R that is prepared and issued by an RO.
Systemic Levy	ICS systemic levies are initiated by ROs resulting in levy preparation and issuance by the ICS system.

Note: ACS methods of levy issuances are discussed in IRM 5.19.4.3.10(1), Levy Types.

- (2) See Exhibit 5.11.6-4 for list of Acronyms.

5.11.6.1.7 (03-14-2024) Related Resources

- (1) The **ICS User Guide, Chapter 10 - Levy** details all the functions necessary to maintain levy sources, issue levies and final demands, and close or release levies. See *Collection Systems Knowledge Base - Integrated Collection System (ICS) - GrpByChapter (sharepoint.com)*

- (2) The **SSA Paper Levy Contacts** web page provides SSA contacts listed, using the first three digits of the taxpayer's social security number (SSN). SSA contacts can confirm the receipt of the paper levy, the amount of the payment, the date payment was made, and the name and account number of the taxpayer to whom the payment was to be credited. See <http://serp.enterprise.irs.gov/databases/who-where.dr/ssa-paper-levy-contacts.html>.
- (3) The **National Levy Source Look-Up** web page provides up-to-date levy source name and address information. See <https://acsweb.enterprise.irs.gov/nlsweb/pages/nl08.xhtml>.
- (4) The **Levies Knowledge Base** web page provides access to various information and job aids related to the levy program. See *Levies Knowledge Base - Home* (sharepoint.com)
- (5) The Taxpayer Bill of Rights (TBOR) lists rights that already existed in the tax code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See IRC 7803(a)(3), Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.
- (6) Below are recommended resources, which can be used to address questions on levy guidance

IRM	Title	Guidance On
IRM 5.11.1 through IRM 5.11.7	Notice of Levy	<ul style="list-style-type: none"> • Notice of Levy, Background, Pre-Levy Actions, Restrictions on Levy & Post-Levy Actions • Serving Levies, Releasing Levies and Returning Property • Jeopardy Levy without a Jeopardy Assessment • Bank Levies • Levy on Wages, Salary, and Other Income • Notice of Levy in Special Cases • Automated Levy Programs

IRM	Title	Guidance On
IRM 5.17.3	Legal Reference Guide for Revenue Officers, Levy and Sale	This section discusses how the IRS administratively enforces the tax lien using its power to levy on and sell property of the taxpayer or property encumbered with a federal tax lien.

5.11.6.2
(05-26-2021)
Retirement Income

- (1) Use discretion in determining if retirement income should be levied. For more information on pre-levy consideration, see IRM 5.11.1.3.1, Pre-Levy Considerations. See IRM 1.2.2.6.3, Delegation Order 5-3 (Rev-1), which outlines the authority to levy on property in the hands of a third party (not to include Levy Form 668-B, Levy).
- (2) A notice of levy is continuous for wages and salary. Other levies only reach property a third party is holding when the levy is received.

Reminder: References to property include rights to property.

- (3) As long as the taxpayer has a fixed and determinable right to property, a levy attaches that right. Therefore, a levy on retirement income can reach payments in the future whether or not the taxpayer has begun receiving payments when the levy is served. This often means that a levy on retirement income reaches future payments. Because this type of levy may begin attaching payments long after the levy is served, follow-up when the taxpayer is expected to become eligible to receive payments. Also see IRM 5.11.5.6.2(6), Systemic Monitoring of Continuous Levy Payments regarding input of transaction code (TC) 971 action code (AC) 687 and IRM 5.11.7.3.5.1, FPLP and Paper Levy (Form 668-A/668-W), for discussion regarding the Federal Payment Levy Program (FPLP) and paper levies. Consider setting a mandatory follow-up for Bal Due accounts reported currently not collectible. See IRM 5.16.1.6, Mandatory Follow-Up.
- (4) If the taxpayer has the right to receive future payments but has not opted to do so, the levy attaches that right.
- (5) A levy served while the taxpayer is receiving periodic payments reaches payments due then, as well as payments as they become due later, as long as there is already a fixed and determinable right to the future payments.
- (6) A levy on a fixed and determinable right to receive future payment (e.g., retirement or pension income, Social Security benefits), made within the statutory period for collection, remains enforceable to the extent of the value of the property levied even if the property itself is not turned over within the statutory period for collection. In other words, a levy prior to the expiration of the statutory period for collection on a fixed and determinable right to receive future payment is still enforceable after the expiration of the statutory period for collection.

5.11.6.2.1
(05-26-2021)
Social Security

- (1) The Social Security Administration (SSA) makes payments for:
 - Supplemental Security Income (SSI) and
 - Old-Age, Survivors, and Disability Insurance (OASDI) (sometimes called Retirement, Survivors, and Disability Insurance (RSDI)).
- (2) SSA payments include monthly OASDI payments reported to the IRS on a SSA-1099 and documented on IDRS command code IRPTRO. Refer to IRM 2.3.35 Exhibit 52, Payee Online Transcript Document Display Screen: SSA-1099 (DOC CODE 82).

Note: SSI payments are not included on SSA-1099 since they are not taxable

- (3) OASDI is based on social security taxes during a person's working years. OASDI payments are not based on need, and they can be levied. SSI payments are for elderly, blind, or disabled persons. The IRC 6334(a)(11) exempts from levy certain public assistance payments, including supplemental security income under XVI of the Social Security Act. For more information on pre-levy considerations, see IRM 5.11.1.3.1, Pre-Levy Considerations.

Note: OASDI payments are also subject to levy under FPLP. Although IRC 6331(h) permits the IRS to levy on up to 15 percent of SSI payments, the IRS will not pursue these levy sources at this time. For further details of FPLP see IRM 5.11.7.3.1.1, IRS/BFS Interagency Agreement - Federal Payments Subject to the FPLP. Also see IRM 5.11.7.3.5.1, FPLP or Paper Levy (Form 668-A/668-W).

- (4) Use discretion in determining whether a levy on Social Security benefits is appropriate under the circumstances. Generally if other viable levy sources are available these sources should be considered prior to a levy on Social Security benefits. For more information on pre-levy considerations, see IRM 5.11.1.3.1, Pre-Levy Considerations.

Note: Social Security benefits are not community property and a levy can't be served on the non liable spouse's social security payment under the theory that it is community property. See IRM 25.18.1.3.28(1), Federal Preemption of State Community Property Characterization.

- (5) Send Part 1 of Form 668-W to the SSA office that issued the taxpayer's social security number. The taxpayer is allowed to claim the exemption from levy per IRC 6334(a)(9) and to provide SSA with their Statement of Exemptions and Filing Status. See the Servicewide Electronic Research Program (SERP), Who/Where, Levy Source Information for SSA office addresses on the National Levy Source Directory (NLSD) <https://acsweb.enterprise.irs.gov/nlsweb/pages/nl08.xhtml>. Query for "SSA%" or "Social Security Admin%". The levy source page contains an instruction/help guide that can assist you in searching for SSA addresses. Include Notice 484, Instructions to Employer with Centralized Payroll System for Processing Statement of Dependents and Filing Status. Send the other parts of the levy to the taxpayer with Notice 483, Instructions to Employee Paid Through a Centralized Payroll System for Submitting Statement of Dependents and Filing Status. Make appropriate changes to Notice 483 and Notice 484.
- (6) Once a levy is served, SSA will continue honoring it, until the levy is released. However, the taxpayer's eligibility for benefits could change. A change in

benefits might stop the levy proceeds. If this happens, SSA will notify the office that issued the levy not to expect more payments. However, SSA is not allowed to explain why because privacy laws restrict to whom SSA can disclose benefit information.

Example: The taxpayer may get full benefits when the levy is served. Later, the person starts working. This may reduce the benefits to less than the exempt amount, so there will be no levy proceeds. If the person stops working and gets full benefits again, SSA will not automatically start sending levy payments. A new levy must be served.

Note: OASDI payments are alternatively levied at 15 percent via the FPLP. Per IRM 5.11.7.3.2.2 (2), Exclusions, the FPLP will systemically release the FPLP levy prior to the expiration of the statutory period for collection; however, a paper levy will continue to be honored until a levy release is issued.

Note: Beginning January, 2007, SSA submits paper levy payments to IRS through the Electronic Funds Transfer Payment System (EFTPS). These payments post to IDRS as TC 670 designated payment code (DPC) 05 but are identifiable by the presence and content of an EFT-TRACE-NUM field. All SSA levy payments have values of "49" in the third and fourth positions of the EFT-TRACE-NUM.

- (7) A representative payee; such as a caretaker, guardian or trustee, may be designated to receive benefits on behalf of a beneficiary. Benefits payable to such a representative payee are not the property of the representative payee and are not available for levy relating to the representative payee's tax liabilities.
- (8) To obtain information about the receipt and application of payments resulting from a levy issued to SSA, access SERP on the IRWeb, Who/Where, SSA Paper Levy Contacts, <http://serp.enterprise.irs.gov/databases/who-where.dr/ssa-paper-levy-contacts.html>. SSA can confirm the receipt of the paper levy, the amount of the payment, the date payment was made, and the name and account number of the taxpayer to whom the payment was to be credited.
- (9) Social Security pays benefits in the month following the month for which they are due.

Example: The January benefit is paid in February.

- (10) For most beneficiaries, the payment date depends on their birth date as follows:
 - If the birthday is on the 1st through the 10th, the taxpayer is paid on the second Wednesday of each month.
 - If the birthday is on the 11th through the 20th, the taxpayer is paid on the third Wednesday of the month.
 - If the birthday is on the 21st through the 31st, the taxpayer is paid on the fourth Wednesday of the month.

5.11.6.2.2
(09-26-2014)
Military Retirement

- (1) See SERP, Who/Where, Levy Source Information, <https://acsweb.enterprise.irs.gov/nlsweb/pages/nl08.xhtml> for addresses for mailing levies on military retirement. Query for "DFAS Military Retirement"
- (2) Expect the first payment two to three months after the notice of levy is sent.

If	Then
The levy is received by the 15th of the month,	The first payment is sent on the first business day of the second month after that.
The levy is received after the 15th of the month,	The first payment is sent on the first business day of the third month after that.

Example: A levy is received on September 12. The first payment is sent on the first business day of November.

Example: A levy is received on September 19. The first payment is sent on the first business day of December.

5.11.6.2.3
(09-26-2014)
Civil Service Retirement

- (1) Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) retirement benefits are administered by the Office of Personnel Management.
- (2) See SERP, Who/Where, Levy Source Information, for the address for these levies <https://acsweb.enterprise.irs.gov/nlsweb/pages/nl08.xhtml>. Query for "U.S. Office of Personnel Management"
- (3) If the civil service account number is known, include it on the levy.
- (4) Expect the first payment in two to three months. See IRM 5.11.6.2.2(2) above.
- (5) Civil service retirement payments can also be levied at 15 percent via the Federal Payment Levy Program (FPLP). FPLP will systemically release the FPLP levy within 90 days prior to the expiration of the statutory period for collection. See IRM 5.11.7.3.2.1.1, IRS/BFS Interagency Agreement - Federal Payments Subject to FPLP. A paper levy will continue to be honored until a levy release is issued. See IRM 5.11.5.6.2 (6) for systemic monitoring instructions. Also see IRM 5.11.7.3.5.1, FPLP or Paper Levy (Form 668-A/668-W).

5.11.6.2.4
(09-26-2014)
Railroad Benefits, Medal of Honor Winners, and Annuities for Military Families and Survivors

- (1) Certain annuity and pension payments are exempt from levy. See IRC 6334.
- (2) The payments exempt from levy include:
 - Railroad Retirement and Unemployment
 - Special Pensions for Medal of Honor Winners
 - Annuities under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan
- (3) Revenue officers will not pursue paper levy of railroad retirement and railroad unemployment payments at this time. IRC 6331(h) permits the IRS to levy on up to 15 percent of railroad retirement and railroad unemployment payments.

FPLP implemented the 15 percent levy on Railroad Retirement Board benefits since July 2011. See IRM 5.11.7.3.1.1 (2)(i), IRS/BFS Interagency Agreement - Federal Payments Subject to the FPLP.

5.11.6.3
(03-14-2024)
**Funds in Pension or
Retirement Plans**

- (1) These instructions cover assets accumulated in a pension or retirement plan, as well as Individual Retirement Arrangements (IRAs). They do not deal with levying retirement income. See IRM 5.11.6.2 above. Also see Delegation Order 5-3 (Rev-1) at IRM 1.2.2.6.3(23)c, IRM 5.17.3.10.19, Pension and Retirement Benefits, and IRM 5.5.3.8.1, Levy on Inherited IRA.

Note: Inherited IRAs are not retirement funds and are treated differently from the non-inherited (i.e., taxpayer-owned) IRAs and other retirement plans addressed in this IRM.

- (2) There are many employer and self-sponsored retirement vehicles that are not exempt from levy. These plans include, for example:
- Qualified Pension, Profit Sharing, and Stock Bonus Plans under ERISA
 - IRAs
 - Retirement Plans for the Self-Employed (such as SEP-IRAs and Keogh Plans)
 - IRC 403(b) retirement plans
 - Eligible deferred compensation plans described in IRC 457(b) which are maintained by an eligible employer under IRC 457(e)(1)(A)
- (3) Because these retirement vehicles provide for the taxpayer's future welfare, levy on the assets in a retirement account (as contrasted with income from the account) only after following the procedures set forth below. If the taxpayer provides a signed written request to the IRS to levy the assets in the retirement account, consider the taxpayer's request to levy the account as part of the ability to pay determination. The taxpayer's written request should contain sufficient information to identify the taxpayer and the retirement account to be levied. Prior to levying pursuant to the taxpayer's request, follow step 1 as described in paragraph (4) (consider alternatives to levy on retirement assets) and step 3 as described in paragraph (7) (determine whether the taxpayer needs the retirement assets for necessary living expenses). Document the case history and Form 15000, Request for Approval of Levy on Funds in Pension, Retirement Plans or TSP Account that the taxpayer requested the IRS to issue the levy; do not make the flagrant conduct determination in step 2 as described in paragraphs (5) and (6) below. Follow guidance in IRM 5.15.1.28, Retirement or Profit Sharing Plans.

Note: If the taxpayer requests the levy and you decide that the IRS should levy after following steps 1 and 3 in paragraphs (4) and (7), respectively, before issuing the levy, verify that the taxpayer has received CDP rights. If the taxpayer has not received CDP rights, then follow the procedures in IRM 5.11.1.3.3, Satisfying the Notice Requirements.

Note: An imminent collection statute expiration date (CSED), alone, does not justify levying on retirement assets. Levying on assets in retirement accounts requires application of the procedures set forth below.

Caution: If the taxpayer wants the IRS to issue a second retirement account levy, then they must issue another letter to that effect.

- (4) The first step in deciding whether to levy on a retirement account is to determine what property, retirement assets and non-retirement assets, is available to collect the liability. If there is property other than retirement assets that can be used to collect the liability, or if a payment agreement can be reached, consider these alternatives before issuing a levy on retirement accounts. Also consider the expense of pursuing other assets as well as the amount to be collected. Levy determinations are made on a case-by-case basis and revenue officers must exercise good judgment in making the determination to levy. See IRM 5.11.1.3.1, Pre-Levy Considerations. Document the case history with the determinations made in steps (4) through (7) below. Additionally, levying on assets in retirement accounts requires application of the following procedures.
- (5) The second step in deciding whether to levy on a retirement account is to determine whether the taxpayer's conduct has been flagrant. If the taxpayer has not engaged in flagrant conduct, do not levy on retirement accounts. Deciding whether the taxpayer has engaged in flagrant conduct must be done on a case-by-case basis. **Keep in mind, however, extenuating circumstances may exist that mitigate the taxpayer's flagrant conduct.** See IRM 5.1.10.3.2(9)(b), Effective Initial Contact.

Example: Extenuating circumstances are at times situations beyond the control of taxpayers. Examples of extenuating circumstances to consider include; illness, loss of employment, a personal loss (family or loved one), identity theft/return preparer misconduct/embezzlement or acts of nature, etc.

- (6) The following are some examples of flagrant conduct.

Example: (A) Taxpayers whose failure to pay is based on frivolous arguments which are listed in Notice 2010–33, IRB 2010–1 C.B. 609, or subsequent updates. See IRB 2010–33 at http://www.irs.gov/irb/2010-17_IRB/ar13.html.

Example: (B) Taxpayers who voluntarily contributed to retirement accounts during the time period the taxpayer knew unpaid taxes were accruing. See IRM 5.15.1.28, Retirement or Profit Sharing Plans.

Caution: When the taxpayer verifies they have been automatically enrolled to have a limited percentage of their basic pay deducted and deposited into a retirement account do not consider this flagrant conduct.

Example: (C) Taxpayers who continue to make voluntary contributions to retirement accounts while asserting an inability to pay an amount that is owed while IRS determined that voluntary contributions were not necessary living expenses and disallowed them for the purpose of determining taxpayers' ability to pay. See IRM 5.15.1.28, Retirement or Profit Sharing Plans.

Caution: Where a tax liability has been discharged in bankruptcy, the IRS may continue to have a valid tax lien on certain retirement assets that existed prior to the bankruptcy. See IRM 5.11.6.3(16). Voluntary contributions made to such retirement assets after the bankruptcy petition was filed are not considered flagrant.

Caution: When the taxpayer verifies they have been automatically enrolled to have a limited percentage of their basic pay deducted and deposited into a retirement account do not consider this flagrant conduct.

Example: (D) Taxpayers convicted of tax evasion for the tax debt.

Example: (E) Taxpayers assessed with a fraud penalty for the tax debt.

Example: (F) Taxpayers assisting others in evading tax.

Example: (G) Taxpayers with liabilities based on illegal income.

Example: (H) Taxpayers who are in business, pyramiding unpaid trust fund taxes, fail to provide a complete CIS, and do not comply with the results of the IRS's financial analysis or fail to timely make FTDs.

Example: (I) Individual taxpayers who are accumulating unpaid income taxes over multiple tax periods and will not adjust their withholding or make timely and adequate estimated tax payments to prevent future delinquencies. See IRM 5.1.10.3.2(5)(e), Effective Initial Contact.

Example: (J) Trust Fund Recovery Penalty modules have been assessed at different times or against more than one business entity.

Example: (K) Taxpayers who have demonstrated a pattern of uncooperative or unresponsive behavior that delays the collection of the tax due, e.g., failing to meet established deadlines, failing to attend scheduled appointments, documented broken promises to pay, failing to respond to IRS employee's attempts to contact. In such cases, determining alternatives and the taxpayer's dependence on the money in the retirement accounts (final step) may not be possible, so a levy may need to be served without making those determinations.

Example: (L) Taxpayers who have placed other assets beyond the reach of the government, e.g., sending them outside the country, concealing them, dissipating them, or transferring them to other people.

Example: (M) Taxpayers with jeopardy or termination assessments subject to collection.

(7) The final step in deciding whether to levy on retirement assets is to determine whether the taxpayer depends on the money in the retirement account (or will in the near future) for necessary living expenses. If the taxpayer is dependent on the funds in the retirement account (or will be in the near future), do not levy the retirement account. In determining whether the taxpayer depends on the money (or will in the near future), use the standards in IRM 5.15, Financial Analysis, to establish necessary living expenses. Use the life expectancy tables in Pub 590-B, Distribution from Individual Retirement Arrangements (IRAs), to estimate how much can be withdrawn annually to deplete the retirement account in the taxpayer's remaining life. Also, consider any special

circumstances in the taxpayer's specific situation, such as extraordinary expenses or additional sources of income that will be available to pay expenses during retirement.

- (8) The taxpayer may be able to withdraw money in a lump sum from a retirement plan. If the taxpayer is eligible to receive such a withdrawal, then a levy can reach that right. However, remember that a levy only reaches the taxpayer's present rights under the plan. This means that a current levy can reach a taxpayer's vested present rights under a plan, but a levy does not accelerate payment and it is only enforceable when the taxpayer is eligible to receive the benefits. The terms of the plan may need to be reviewed to determine a taxpayer's present rights.

Example: The taxpayer is fully vested in their retirement plan account balance of \$10,000. Pursuant to the terms of the plan, the taxpayer is not yet in payout status or entitled to a lump sum withdrawal until a future date. A levy may attach to the taxpayer's present right to the \$10,000, but no money can be collected until the taxpayer has a right to withdraw those funds at the future date. At such future date, the taxpayer's account may have grown to \$30,000. Without a new levy, however, only \$10,000 can be collected because this was the taxpayer's present right at the time of levy.

Example: The taxpayer has an accrued benefit in a retirement plan but the terms of the plan do not allow for any lump sum withdrawal. The plan provides a right in the future to receive monthly payments, but the taxpayer has not yet participated in the plan long enough to qualify for any future payments (that is, the taxpayer is currently 0% vested in the accrued benefit derived from employer contributions). The taxpayer has no present property rights in the employer derived accrued benefit to which a notice of levy can attach. A notice of levy may attach to any contributions made by the taxpayer, as the taxpayer is always 100% vested in those contributions, but collection will depend on whether the taxpayer has a right under the terms of the plan to withdraw those funds.

- (9) Use of Form 668-R, Notice of Levy on Retirement Plans is mandatory as it contains special instructions for levying retirement plans. It must be used instead of Form 668-A.
- (10) Have the SB/SE Director, Collection Area approve the Form 668-R, Notice of Levy on Retirement Plans by signing the Form 668-R as the Service Director or see IRM 5.11.1.3.5, Managerial Approval, for methods to secure managerial approval. Field Collection is using the eApproval SharePoint platform for submission, review and approval of retirement account levies.

Example: The revenue officer submits a request through eApproval application asking for approval of the Notice of Levy on Retirement Plans. The Area Director accesses the eApproval application and records approval on Form 15000 and Form 668-R. The Area Director's actions in eApproval generates a notification alerting the revenue officer of the Director's approval.

- (11) Consider discussing the case with the TE/GE Employee Plans before issuing the levy. Their advice, as well as advice from CEASO advisor and Associate Area Counsel, may be needed to determine the present right to property.

Often, a levy is served before the taxpayer's precise rights are determined. Try to get a copy of the plan instruments as soon as possible to determine the taxpayer's interests in the plan.

- (12) When available, review a copy of the plan prior to issuing the levy to identify the correct custodian (normally a financial institution). Unless any documents or other pieces of evidence reflect that pension or retirement account has more than one custodian, no additional parties beyond the pension or retirement custodian need be served with the levy.
- (13) When money is withdrawn from a retirement account, the taxpayer may be liable for income tax on the withdrawal. If the taxpayer is less than 59 $\frac{1}{2}$ years old, a 10 percent additional tax on early distributions may be assessed. However, the taxpayer is not liable for the 10 percent additional tax on early distributions if the money was withdrawn because of a notice of levy served on the retirement account. See IRC 72(t)(2)(A)(vii). There may, however, still be income tax owed for the amount withdrawn.
- (14) Send Letter 3257, Excise Tax for Early Withdrawal Not Due if by Levy to Retirement Plan Administrator, with the notice of levy and Letter 3258, Excise Tax for Early Withdrawal Not Due if by Levy to Taxpayer, with the taxpayer's copy of the notice of levy. These letters state the withdrawal is not subject to the 10 percent additional tax on early distributions, even if the taxpayer is under 59 $\frac{1}{2}$ years old. These letters are available as templates on the Integrated Collection System.
- (15) The levy funds are subject to 20 percent federal income tax withholding by the payor of such funds. See IRC 3405(c). A levy will only reach the levied funds that remain after such withholding.

Example: A notice of levy is served on a taxpayer's qualified plan. The amount owed is \$10,000, and the taxpayer has \$5,000 in the plan. The levy proceeds would be \$4,000 (80 percent of \$5,000) and the withholding amount would be \$1,000.

- (16) Retirement accounts that are **exempted** from the bankruptcy estate are still subject to being levied to collect taxes that are discharged in bankruptcy, where a notice of federal tax lien was filed before bankruptcy. For retirement accounts that are **excluded** from the bankruptcy estate, the IRS may still levy on those accounts to collect taxes that are discharged in bankruptcy even when no notice of federal tax lien has been filed. It is only necessary that the discharged taxes were assessed, that notice and demand was given, and that the statutory lien arose before the bankruptcy was filed. Consider a levy on the retirement accounts if there is no other property that survived the bankruptcy. See IRM 5.9.17.5, Exempt, Abandoned or Excluded Property (EAEP), and IRM 5.9.17.5.2(4), Collection from Exempt, Abandoned or Excluded Property (EAEP), for guidance in determining whether collection action should be taken.

Note: In this situation, the federal tax lien attaches to only the taxpayer/debtor's property or rights to property held as of the bankruptcy petition date. However, the lien is not limited to the value of the property as of the petition date. Its attachment relates to any appreciation or diminution of such assets. The federal tax lien does not attach to retirement account contributions made on or after the bankruptcy petition date. Care must be taken to limit collection to only the bankruptcy pre-petition account value. Consult with Specialty

Collection Insolvency or Counsel prior to issuing levies on exempted or excluded retirement accounts for assistance in determining the account value the levy attaches.

Note: Retirement accounts that are **exempt** from the bankruptcy estate are **not** subject to being levied to collect taxes that are discharged in bankruptcy where **no** notice of federal tax lien was filed prior to bankruptcy. See IRM 5.9.17.5(1), Exempt, Abandoned, or Excluded Property (EAEP), for details regarding exempt assets.

5.11.6.3.1
(03-14-2024)
Thrift Savings Plan

- (1) Federal employees may contribute to Thrift Savings Plan (TSP) accounts. Unlike levies on employer and self-sponsored retirement accounts, which only reach the taxpayer's present rights under the plan, the IRS can seize the balance in vested TSP accounts pursuant to 5 U.S.C. 8437(e)(3), a special statutory provision, which authorizes turnover of funds in TSP accounts to the IRS pursuant to IRS levies. The levy will attach to any TSP account that is vested, or will become vested within 30 days of the date the TSP receives the levy if the participant were to remain in Government service. The Federal Retirement Thrift Investment Board (FRTIB) has issued regulations governing TSP levies at 79 FR 53603 (Sept. 10, 2014).
- (2) Because the TSP account provides for the taxpayer's future welfare, levy on the assets in a TSP account only after following the procedures set forth below. If the taxpayer provides a signed written request to the IRS to levy the assets in the TSP account, consider the taxpayer's request to levy the account as part of the ability to pay determination. The taxpayer's written request should contain sufficient information to identify the taxpayer and specify the TSP account is to be levied. Prior to levying pursuant to the taxpayer's request, follow step 1 as described in IRM 5.11.6.3(4) (consider alternatives to levy on retirement assets) and step 3 as described in IRM 5.11.6.3(7) (determine whether the taxpayer needs the retirement assets for necessary living expenses). Document the case history and levy approval memo that the taxpayer requested the IRS to issue the levy; do not make the flagrant conduct determination in step 2 as described in IRM 5.11.6.3(5) and (6). Follow guidance in IRM 5.15.1.28, Retirement or Profit Sharing Plans.
- (3) The determination to levy on a TSP account should be treated in the same way as a levy on a private pension or retirement plan or IRA. Follow the procedures set forth in IRM 5.11.6.3 (4) through (7) to determine whether to levy on the taxpayer's TSP account.
- (4) Use of Form 668-R, Notice of Levy on Retirement Plans, is mandatory as it contains special instructions for levying retirement plans. It must be used instead of Form 668-A.
- (5) Have the SB/SE Director, Collection Area approve the Form 668-R, Notice of Levy on Retirement Plans, by signing the Form 668-R as the Service Director, or see IRM 5.11.1.3.5, Managerial Approval, for methods to secure managerial approval.
- (6) The levy must be issued in the name of the participant only.
- (7) The levy must expressly refer to the "Thrift Savings Plan."

- (8) The levy must require the payment of a stated dollar amount from the TSP participant's account, up to the entire amount of the vested account balance. The levy may not request a payment at a specified date in the future nor may it request a series of payments. The levy cannot designate a specific TSP fund, source of contributions, or balance from which the payment or portions of the payment shall be made.
- (9) Before issuing a levy on a non-liable spouse in a community property state, consult with CEASO advisor or Counsel to determine if the state community property laws allow the levy. If the levy is allowed, request the assistance of Counsel to draft the levy to ensure the levy will not be dishonored by the TSP because it was not issued in the name of the participant only.
- (10) All levies on TSP accounts should be on Form 668-R and should be mailed to the following address: ThriftLine Participant Care Center, C/O Broadridge Processing, PO Box 1600, Newark, NJ 07101-1600. If immediate delivery of the levy is necessary, the fax number, and the address for overnight delivery of IRS levies can be found at <http://www.tsp.gov> under Contact TSP page. The levy must be received by the TSP offices designated above no later than 30 days after the date on the levy form.
- (11) After receipt of the levy, the TSP will mail a decision letter to all parties containing the following information:
 - A determination regarding whether the levy is qualifying;
 - If the qualifying levy requires payment, the letter will provide the estimated payment amount and anticipated payment date.
- (12) Payment pursuant to a qualifying levy will be made 30 days after the TSP decision letter. The payment is taxable to the participant and subject to federal income tax withholding.
- (13) Send Letter 3257, Excise Tax for Early Withdrawal Not Due if by Levy to Retirement Plan Administrator, with the notice of levy and Letter 3258, Excise Tax for Early Withdrawal Not Due if by Levy to Taxpayer, with the taxpayer's copy of the notice of levy. These letters state the withdrawal is not subject to the 10 percent additional tax on early distributions, even if the taxpayer is under 59½ years old. These letters are available as templates on the Integrated Collection System.
- (14) The levy funds are subject to federal income tax withholding under IRC 3405. The TSP will withhold 20% for federal income tax, and withholding cannot be waived, increased, or decreased. The tax withholding is taken from the payee's entitlement, and the gross amount of the payment (i.e., the net payment distributed to the payee plus the amount withheld from the payment for taxes) is reported to the IRS as income to the participant.

5.11.6.3.2
(05-26-2021)
**Additional Rules for
Retirement Plan Levies**

- (1) The Bipartisan Budget Act of 2018 allows amounts, including interest, returned to an individual from the IRS pursuant to a wrongful levy or a certain type of erroneous levy on an IRA or employer-sponsored plan to be contributed to the IRA or employer-sponsored plan without regard to the general contribution limits, effective for levied amounts, and interest thereon, returned to individuals in taxable years beginning after December 31, 2017. See IRC 6343(f), Individuals Held Harmless on Wrongful Levy, etc. on Retirement Plan.

Caution: The taxpayer must request the return of money within a certain time period as described in IRM 5.11.2.4.1(5).

- (2) This section applies to levied funds from an individual's account or benefit under an eligible retirement plan that are returned to the individual because the IRS determined the levy to be either wrongful under IRC 6343(b) or premature or otherwise not in accordance with IRS procedures under IRC 6343(d)(2)(A).

Note: An eligible retirement plan means a qualified trust, an individual retirement plan, an annuity plan described in IRC 403(a), an eligible deferred compensation plan described in IRC 457(b) which is maintained by an eligible employer under IRC 457(e)(1)(A), or an annuity contract described in IRC 403(b) retirement plans. A qualified trust is an employees' trust described in IRC 401(a) which is exempt from tax under IRC 501(a). An individual retirement plan is an individual retirement account described in IRC 408(a) or an individual retirement annuity (other than an endowment contract) described in IRC 408(b).

Note: The Thrift Savings Plan (TSP) is treated as a qualified trust. See IRC 7701(j)(1)(A).

- (3) Levy funds returned under IRC 6343(f) are treated as a rollover contribution per the applicable IRC 402(c), IRC 402A(c)(3), IRC 403(a)(4), IRC 403(b)(8), IRC 408(d)(3), IRC 408A(d)(3), or IRC 457(e)(16). The contribution is treated as having been made for the taxable year in which the distribution on account of the levy occurred, and the interest paid under (5) below shall be treated as earnings within the plan after the contribution and shall not be included in gross income, and such contribution shall not be taken into account under IRC 408(d)(3)(B) (the one IRA-to-IRA rollover per-year rule).
- (4) When wrongfully or certain type of erroneously levied retirement funds are returned to the taxpayer, the IRS must notify the taxpayer and explain the following:
- the IRS is returning (or has returned) levied retirement account funds pursuant to IRC 6343(b) and/or IRC 6343(d)(2)(A),
 - pursuant to IRC 6343 (f)(1)(A), the returned retirement account funds may be contributed back into the eligible retirement plan under which the individual's benefit was levied (or to an individual retirement plan) on or before the due date (not including extensions) for filing the return of tax for the taxable year in which such property or amount of money is returned.

Example: Retirement levied funds are returned to the taxpayer because the taxpayer was not provided with CDP hearing notice. TC 840 manual refund dated 02/15/2018. The taxpayer has until 4/15/2019 to contribute the funds back into a retirement account.

- (5) The IRS must pay interest in a case in which the IRS determines that IRC 6343(d)(2)(A) applies with respect to a levy upon an eligible retirement plan. See IRC 6343(f)(4), providing an exception to the rule that interest isn't allowed for an erroneous levy. Interest is allowed for a wrongful levy (which applies to any eligible retirement plan listed in (2) above).

Note: Under IRC 6343(f) also requires the IRS to abate any tax or return any amounts assessed as income tax as a result of the retirement levy if the taxpayer rolled the funds back into the account by the time for filing a return for the year in which the proceeds are returned.

5.11.6.4
(05-05-1998)
Insurance

- (1) This subsection contains instructions on levying on insurance.

5.11.6.4.1
(01-22-2010)
Cash Loan Value of Life Insurance

- (1) The cash loan value of life insurance and endowment contracts can be levied. The policy does not have to be surrendered. See IRC 6332(b).

5.11.6.4.1.1
(08-16-2017)
Serving the Levy

- (1) Generally, do not levy the cash loan value of life insurance if the taxpayer has:
 - few assets,
 - small income, and
 - policies with a face value below \$1000.
- (2) If known, write the following on the notice of levy:
 - policy number(s) followed by “and all other policies this person owns or has an interest in,”
 - date of birth, or
 - taxpayer’s approximate age and spouse’s name.
- (3) The revenue officer group manager, Insolvency group manager or a CEASO advisor group manager must approve the notice of levy per Delegation Order 5-3 contained in IRM 1.2.2.6.3, Delegation Order 5-3 (Rev. 1). See IRM 5.11.1.3.5, Managerial Approval.
- (4) The insurance company does not have to turn over money until 90 days pass.
 - a. Compute penalty and interest through 90 days from the date of the levy.
 - b. Write, “I certify that a copy of this notice was mailed on (insert date) to the taxpayer’s last known address” above the taxpayer’s name and address.
 - c. Sign this statement.
 - d. Mail Part 4 to the taxpayer five days **before** sending the levy to the insurance company.

5.11.6.4.1.2
(01-22-2010)
Payment for a Levy on the Cash Loan Value of Life Insurance

- (1) If the amount owed is paid before 90 days, send the insurance company Letter 980, Notice of Levy Against Insurance Cash Value, with a release of levy.
- (2) The taxpayer can ask the insurance company to pay before 90 days to save penalty and interest. A new payoff figure may be needed.
- (3) If the amount is not paid within 90 days, attempt contact with the insurance company and send Letter 980 to the insurance company. This tells them the amount still owed. Send the letter even if the amount has not changed.
- (4) The insurance company must pay over the amount the taxpayer could have obtained as a loan. This amount is computed to the 90th day after the levy. Automatic premium loans and contractual interest is not paid over, if they keep

the contract in force. However, an agreement to do this must be before the insurance company knew of the tax lien.

5.11.6.4.1.3
(09-26-2014)

Actual Knowledge of the Tax Lien

- (1) The insurance company may have to pay more than the amount in IRM 5.11.6.4.1. That amount is increased by the amount of any advances (including contractual interest thereon) made on or after the date the insurer had actual knowledge of the tax lien for which the levy is made, other than any advance (including contractual interest thereon) made automatically to keep the insurance contract in effect under an agreement entered into before the insurer had actual knowledge. See IRC 6332(b)(2).
- (2) Give the insurance company a copy of the notice of federal tax lien or a letter to give actual notice of the lien. This stops the taxpayer from taking loans as equity builds up in the policy.

Note: Do not try to give notice by serving a new levy. This starts the 90 day period again.

5.11.6.4.2
(01-22-2010)

Foreclosure on the Policy

- (1) There is also a right to foreclose on the policy, if necessary. Consult with CEASO advisor and Associate Area Counsel for advice. See IRM 5.17.3.10.12, Legal Reference Guide for Revenue Officers - Insurance, for discussion of the differences between foreclosing on the policy to obtain the cash surrender value and levying to obtain the cash loan value.

5.11.6.4.3
(05-05-1998)

Department of Veterans Affairs Insurance Policies

- (1) Dividends payable in cash and the cash loan value of Department of Veterans Affairs (VA) insurance policies can be levied.

Exception: If the dividends are applied to pay future premiums, they can not be levied.

5.11.6.4.3.1
(01-22-2010)

Levy on Dividends of VA Policies

- (1) Before serving a notice of levy on VA insurance policy dividends, contact the VA to obtain and/or confirm the following insurance information:

- Insurance file number
- Policy number
- Anniversary date
- Date of policy, and
- Office that pays the dividends

The VA contact point for insurance benefits is: Dept. of Veterans Affairs Insurance Center, PO Box 13399, Philadelphia, PA 19101. Phone (215) 842-2000 ext. 4260 Fax (215)381-3502

- (2) Dividends are payable on:

- United States government life Insurance policies
- National Service life insurance policies

Exception: Policies with a number preceded by RH do not pay dividends.

- (3) To levy dividends, mail Form 668-A thirty days before the policy's anniversary date.

- a. Write, "Levy is only on dividends" on the levy form.

- b. Write, "Policy Number _____" above the taxpayer's name and address.

Exception: If the policy number and file number are different, write, "Policy No. _____(File No. _____)" on the form.

5.11.6.4.3.2
(01-22-2010)
**Levy on Cash Loan
Value of VA Insurance
Policies**

- (1) Many VA insurance policies have cash loan value. This can be levied like other life insurance policies. Some policies are term life insurance. These have no cash loan value.
- (2) Write, "Levy is only against cash loan value" on the levy. Also, include the policy number. Use other procedures in IRM 5.11.6.4.1, above. For example, send Letter 980, Notice of Levy Against Insurance Cash Value, after 90 days.

5.11.6.4.4
(06-29-2001)
**Insurance Company
Employees**

- (1) To levy an insurance company employee's income, send Form 668-W. Write on the form that it is levying the person's income. This may prevent confusion between these and levies on policies.
- (2) Contact the insurance company to determine where to send the levy.

5.11.6.4.5
(01-22-2010)
Death Benefits

- (1) Death benefits from an insurance company or a government agency (Veterans Administration, Social Security Administration, etc.) can be levied. However, only use this source in flagrant cases. See IRM 5.11.6.3 (5). Consider whether the levy will cause a hardship and whether it may prevent the taxpayer from paying the funeral expenses of the person who died.
- (2) Because of the sensitive nature, have the SB/SE Director, Collection Area approve the notice of levy. See IRM 5.11.1.3.5, Managerial Approval, for methods to secure managerial approval.

5.11.6.5
(09-26-2014)
Government Employees

- (1) The income of federal, state and local government officers and employees can be levied. This includes:
 - Civilian employees
 - Military personnel
 - Elected officials
 - Appointed officials
- (2) If the taxpayer increases voluntary deductions after a levy is served, tell the employer that this is not allowed.

Note: Comptroller General's Decision B-45105 explains this to federal payroll offices. This decision is dated January 21, 1955, and amended April 18, 1955.

- (3) Certain government employee salaries are included in the Federal Payment Levy Program. See IRM 5.11.7.3.1.1 , IRS/BFS Interagency Agreement - Federal Payments Subject to the FPLP, and IRM 5.11.7-1, FPLP - Federal Employee Salary Paying Agencies: NFC, NBC, GSA, DFAS.

Note: See IRM 5.1.7.8, Federal Employee/Retiree Delinquency Initiative (FERDI), for additional guidance.

5.11.6.5.1
(09-26-2014)
**Military Personnel on
Active Duty**

- (1) If a taxpayer is in a combat zone (CZ) or has been granted military deferment under the Service members Civil Relief Act of 2003, no levy action is to be taken. This includes issuance of L1058, Notice of Intent to Levy and Notice of Your Right to a Hearing. See IRM 5.1.7.10, Accounts of Taxpayers Who Serve in a Combat Zone, and IRM 5.1.7.13, Military Deferment, for additional clarification.
- (2) Combat zone (CZ) accounts, identified by a -C freeze, indicate a taxpayer who is or was serving in a designated combat zone area.

Note: The -C freeze stays on the account even after the taxpayer is no longer in the CZ. When working an account that contains a -C freeze, additional research is required to determine the taxpayer's CZ status. Research CC IMFOLE for the Combat indicator on Line 11.

Combat Indicator	Defined
1	The taxpayer is still serving in a combat zone. Any compliance activity such as assessing or collecting tax is prohibited. However, if the taxpayer has other issues or requests information, you may work these other issues and contact the taxpayer if needed.
2	The taxpayer is no longer a combat zone participant. Follow normal IRM procedures to work the case.

- (3) A levy on the income of active military personnel attaches to wages, salary, and the following:
 - Payments for quarters
 - Subsistence
 - Travel
 - Clothing and uniform allowances
 - Personal money and overseas allowances
 - Reimbursement for shipment of household goods
 - Lump sum leave payments
 - Retirement income (including disability payments)
 - Re-enlistment bonuses
 - Severance pay
 - Mustering out pay
 - Savings deposits

Exception: See IRM 5.11.1.4.1, Property Exempt from Levy.

- (4) See SERP, Who/Where, Levy Source Information for addresses to mail these notices of levy.

If	And	Then
The taxpayer is in the Air Force or Marines	The taxpayer is on active duty or is in the reserves	Include the taxpayer's military service address on the levy, if it is known, e.g. Andrews Air Force Base.

- (5) Use Letter 1096, Follow-up to Form 668-W, to follow up on military levies.

If	Then
The taxpayer is overseas	Follow up 10 weeks after the levy is acknowledged.
The taxpayer is in the United States, except for Air Force	Follow up four weeks after the levy is acknowledged.
The taxpayer is in the United States and is in the Air Force	Follow up eight weeks after the levy is acknowledged.

- (6) A response should be received to Letter 1096 within 30 days. If not, call the finance center or send a new notice of levy.
- (7) The taxpayer may pay the amount owed before the levy proceeds are received. If the release does not stop the proceeds in time, a payment for the levy will be received. Do not return the check to the finance center. Credit the money, so the overpayment will generate a refund. If a hardship exists, request a manual refund. See IRM 5.1.12, Cases Requiring Special Handling.

5.11.6.5.2 (05-05-1998) **Military Class Q Allotments**

- (1) Class Q allotments are for dependents of military personnel. They can be levied to collect tax from the dependent.

5.11.6.5.3 (06-29-2001) **Health and Human Services Employees**

- (1) The Department of Health and Human Services maintains a central payroll office. See SERP, Who/Where, Levy Source Information. These payroll records include:
- HHS in metropolitan Washington, DC
 - HHS regional offices
 - Public Health Service
 - Food and Drug Administration
- (2) Send the Statement of Exemptions and Filing Status directly to the taxpayer. See IRM 5.11.5.4.2, Employers with Centralized Payrolls.

5.11.6.5.4 (09-26-2014) **Postal Service Employees and Vendors**

- (1) For levies on postal employees and vendors, include the following on the levy form, if known:
- Postal Service employee number,
 - Type of employment, and
 - The town where the employee works, if it is different from where the employee lives.

- (2) Send notices of levy on postal employees to:
 - U.S. Postal Service
 - Accounting Service Center
 - Minneapolis Information Service Center
 - Involuntary Deduction Unit
 - 2825 Lone Oak Pkwy.
 - Eagen, MN 55121–9650
- (3) Send notices of levy on transportation; Contract Postal Unit (CPU); or Lease Vehicles:
 - U.S. Postal Service
 - St. Louis Accounting Service Center
 - Transportation Section
 - PO Box 80191
 - St Louis MO 63180-9191
- (4) Send notices of levy on Misc. Supplies, Services, and Repair Parts; Facilities; and other types not listed above.
 - U.S. Postal Service
 - San Mateo ASC
 - Fields Payable 2
 - 2700 Campus Drive
 - San Mateo CA 94497-9432
- (5) Postal service employee wages can alternatively be levied at 15 percent via the Federal Levy Payment Program (FPLP). The USPS vendor/supplier payments are continuously levied at 100% for property, goods and services payments via the FPLP.

5.11.6.5.5
(05-26-2021)
IRS Employees

- (1) Wages of IRS employees may be levied by issuance of Form 668-W, Notice of Levy on Wages, Salary, and Other Income. IRS employees, like other federal employees, also may be subject to the Federal Payment Levy Program (FPLP). See IRM 5.1.7.8.3.2, Federal Employee Levy Procedures
- (2) Send notices of levy on IRS employees to:
 - USDA/OCFO/National Finance Center
 - Administrative Billings and Collections
 - P.O.Box 61765
 - New Orleans, LA 70161
 - Fax number, (303) 235-7448
- (3) The NFC utilizes a call center for inquiries which can only be accessed by authorized Agency contacts. Questions concerning levies on IRS employees must

be submitted via the secure fax line, (303) 235-7448. In order for NFC to respond to these questions, the fax transmittal cover sheet must reference the name and SSN of the taxpayer.

5.11.6.6 (09-26-2014) Federal Contractors

- (1) Use Form 668-A to levy payments owed to federal contractors. Except as described in (4) below, the levy has no continuing effect. It only reaches payments owed to the contractor when the levy is received.

Note: Prior to levying the Federal agency with Form 668-A on either the primary or secondary taxpayer, release or block the module from the Federal Payment Levy Program (FPLP), if necessary. See IRM 5.11.7.3.6, Blocking or Releasing FPLP Levy.

- (2) The contract number must be included on levies sent to the Department of Defense. If the number is known, include it on levies sent to other federal agencies, too. This can help them find the contract and honor the levy.

Note: Current federal contract levy sources can be found on IDRS using cc LEVYS. The contract number may appear on the levy source's name line after, "CONTRACT ". "FC" to the right of the number means this is a federal contract.

- (3) See Exhibit 5.11.6-1 for contract levy addresses at several agencies.
- (4) Federal contractor and vendor payments are systemically levied through the FPLP. IRC 6331(h) permits the IRS to serve a continuous levy on up to 15 percent of certain federal payments. If the payments are for vendor of property, goods or services sold or leased to the Federal government, the IRS may levy up to 100 percent of the payments under IRC 6331(h), as amended by the American Jobs Creation Act of 2011. See generally IRM 5.11.7.3, Federal Payment Levy Program, and specifically IRM 5.11.7.3.1.1, IRS/BFS Inter-agency Agreement – Federal Payments Subject to the FPLP, regarding implementation of the FPLP increase for certain payments.
- (5) Since January 2006, the FPLP matches and levies Federal payments identified under the secondary or cross-reference (X-REF) SSN on IMF joint tax liabilities and BMF sole proprietor liabilities.

5.11.6.6.1 (01-08-2020) Department of Defense Contractors

- (1) Paper levies issued to attach monies due Department of Defense (DoD) contractors should be sent to:

Defense Finance and Accounting Service - Columbus Center
Attn: DFAS-BKSD/CC
Debt Management Office
P.O. Box 182317
Columbus, OH 43218-2317
- (2) For information regarding contracts and payments, send an E-mail message to CCO-IRS@DFAS.MIL.
- (3) As an alternative to a paper levy, the Federal Payment Levy Program (FPLP) can now continuously levy DoD contractor and vendor payments paid through the Defense Finance and Accounting Service (DFAS) at 100 percent.

- Since April 15, 2005, contractor payments paid through DFAS Mechanization of Contract Administration Services (MOCAS), have been levied at 100 percent of the payment or balance due, whichever is less.
- Since July 18, 2005, contractor payments paid through the remaining DFAS vendor payment systems have been levied at 100 percent of the payment or balance due, whichever is less.
- Prior to those dates, any Defense contractor/vendor payment levied through the FPLP was at 15 percent.

5.11.6.7
(03-28-2016)

**Levy on Other
Government Payments**

- (1) This subsection contains instructions for levy on other government payments.

5.11.6.7.1
(03-28-2016)

**Medicare Payments Paid
to Beneficiaries**

- (1) Levy Medicare payments paid to beneficiaries only in flagrant cases. Generally, see examples at IRM 5.11.6.3(5)A beneficiary is "A person who has health care insurance through the Medicare programs." Medicare payments to beneficiaries are not considered to be income so use Form 668-A.
- (2) An insurance company or Medicare administrative contractors, referred to as MACs, contracting with the Centers for Medicare and Medicaid Services (CMS) make the Medicare payments. To locate the current MAC, access the web page, <https://www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/MedicareAdministrativeContractors.html>. and search **Who are the MACS** based upon the state. Then follow the links to locate the geographic region and MAC serving each state. See Exhibit 5.11.6-3, Medicare Administrative Contractors (MACs), for list of addresses.
- (3) The insurance company or contract carrier directly pays hospitals, home health agencies, and extended care facilities. Doctors and other medical services and supplies can be paid directly, too. However, the beneficiary may have paid the expense to be reimbursed by Medicare later.
- (4) The territory manager must approve the notice of levy on Medicare payments paid to beneficiaries. See IRM 5.11.1.3.5, Managerial Approval, for methods to secure managerial approval.

5.11.6.7.2
(03-28-2016)

**Medicare Payments Paid
to Providers**

- (1) Starting October 2008, the Federal Payment Levy Program (FPLP) expanded to include Medicare and supplier payments made to providers by an insurance company or carrier contracting with the CMS. See IRM 5.11.7 Automated Levy Programs.
- (2) Whenever the FPLP indicator is present on a module, revenue officers may decide to levy the Medicare provider payments through the FPLP -- attaching the entire 100% of the disbursement continuously which is the most efficient method; or the levy may be converted to utilize the general levy and distraint statute, IRC 6331(a).

Note: Levy on Medicare payments paid to providers does not require second level approval. Prior to issuing the Form 668-A, release or block the module from the FPLP, if necessary. See IRM 5.11.7.3.6, Blocking or Releasing FPLP Levy. Serve the levy on the insurance company or Medicare administrative contractors referred to as MACs. To locate the current MAC, access the web page <https://www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/MedicareAdministrativeContractors.html>.

Administrative-Contractors/MedicareAdministrativeContractors.html and search **Who are the MACS** based upon the state. Then follow the links to locate the geographic region and the MAC serving each state. See Exhibit 5.11.6-3, Medicare Administrative Contractors (MACs) for list of addresses.

5.11.6.7.3 (09-26-2014) **Medicaid Payments Paid to Providers**

- (1) The Medicaid Act, under Title XIX of the Social Security Act, is a federal-state cost-sharing program that provides medical assistance to families and individuals with insufficient income and resources. Within the bounds of federal statutory and regulatory requirements, the state enters into agreements with providers of services and establishes a level of reimbursement to be paid to providers. Upon approval of its plan, a state becomes entitled to reimbursement by the federal government for a portion of its payment to hospitals and other providers of medical assistance to Medicaid recipients. This federal contribution to a state's Medicaid expenses is termed "federal financial participation."

Note: Those receiving Medicaid assistance are called beneficiaries.

- (2) Each state operates and administers its approved Medicaid plan in accordance with Centers for Medicare & Medicaid Services's (CMS) state Medicaid plan. Each state:
 - Establishes its own eligibility standards.
 - Determines the type, amount, duration and scope of services.
 - Sets the rate of payment for services.
 - Administers enrollment of providers.
- (3) Providers must first enroll in the Medicaid program to receive payment for services or goods provided to beneficiaries. Federal law does not prohibit providers with unpaid federal taxes from enrolling in or receiving payments from Medicaid.
- (4) States have traditionally provided Medicaid benefits using a fee-for-service system. The providers submit their claims to the state for payment and the state is responsible for claim processing and payment. Under fee-for-service arrangements, states pay providers directly for services.
- (5) Recently, many states have implemented a managed care delivery system for Medicaid benefits. In a managed care delivery system, beneficiaries get most or all of their Medicaid services from an organization under contract with the state. When considering a Medicaid provider levy, determine if the provider is paid directly by the state (fee-for service) or through a managed care program. The levy should be served on either the state or the appropriate managed care program, not both.
- (6) When states implement a managed care program, they can use any one of the following types of entities:

Type	Definition
Managed Care Organizations (MCOs)	Similar to Health Maintenance Organizations (HMOs), these companies agree to provide most Medicaid benefits to people in exchange for a monthly payment from the state.
Limited Benefit Plans	These companies may look like HMOs, but only provide one or two Medicaid benefits (e.g., mental health or dental services).
Primary Care Case Managers	These individual providers (or groups of providers) agree to act as an individual's primary care provider, and receive a small monthly payment for helping to coordinate referrals and other medical services.

- (7) A Levy on Medicaid payments paid to providers is subject to IRM 1.2.2.6.3, Delegation Order 5-3 (Rev. 1). Use Form 668-A to levy payments owed to Medicaid providers. Medicaid disbursements by the federal government to the states do not qualify as “federal payments” for purpose of continuous levy. Medicaid payments paid to providers/suppliers are not subject to continuous levy under IRC§ 6331(h) or the FPLP. These payments are administered and paid out by state government agencies for CMS.

5.11.6.7.4
(09-26-2014)
**U.S. Savings
Bonds—Series HH/H
Interest Payments**

- (1) Series HH/H savings bonds pay interest semi-annually. Series HH U.S. savings bonds are no longer available for purchase. Because they are a 20-year non-marketable bond, some people still own HH bonds.
- (2) To levy the interest, use Form 668-W. See SERP, Who/Where, Levy Source Information for the address to mail these levies. With the levy, send a copy of the notice of federal tax lien. Also, send a letter with the levy. Include in the letter:
- bond series,
 - serial number(s),
 - bond denomination(s), and
 - bond issue date(s).

5.11.6.7.5
(03-14-2024)
**Farm Service Agency
Program Payments**

- (1) In 1994, the Agricultural Stabilization and Conservation Service (ASCS) was merged with other agriculture agencies to create the Farm Service Agency (FSA). Serve levies on Farm Service Agency county offices to attach these program payments.

If	And	Then
The taxpayer is eligible for payment	FSA is authorized to pay the taxpayer	A levy payment will be sent.

If	And	Then
The taxpayer is eligible for payment	FSA is not authorized to pay the taxpayer yet	FSA will complete the back of the levy and state when the payment will be made and how much it will be for. When a payment is authorized, FSA will send the amount the taxpayer was eligible for on the date of the levy. No new levy is needed.
The taxpayer is not eligible for payment	N/A	FSA will send the levy back saying no money is owed. If they know when the taxpayer will be eligible, they will say so. Another levy can be served later, if appropriate.

- (2) The listing of county offices for FSA can be found under each state office at the following web page: <http://www.fsa.usda.gov/FSA/stateOffices>.
- (3) To determine the correct counties eligible for FSA payments contact the FSA state office for assistance. The listing of state offices for FSA can be found at the following web page: <http://www.fsa.usda.gov/FSA/stateOffices>.

5.11.6.7.6
(05-26-2021)
**Uniform Relocation Act
Payments**

- (1) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act or URA) payments pay for displaced people's:
 - moving costs,
 - related expenses, and
 - cost of replacement housing.
- (2) Levy these payments only in flagrant cases. See IRM 5.11.6.3(5). The SB/SE Collection territory manager or an CEASO manager (second level or above) must approve the notice of levy. See IRM 5.11.1.3.5, Managerial Approval.

5.11.6.7.7
(05-05-1998)
**Fees for Attorneys of
Social Security
Claimants**

- (1) Records of attorneys for Social Security claimants are with the claimant's files. To levy an attorney's fees, attach a list of claimants' names and SSNs. If the SSNs are not known, give anything else to identify the claimant.
Example: Include the claimants' address and date of birth, if these are known.
- (2) Avoid sending these levies without claimants' SSNs. SSA's files, like those of IRS, are very large. There are many people with the same name.
- (3) A separate levy is not needed for each claimant's fees.

5.11.6.7.8
(06-29-2001)
**State Income Tax
Refunds**

- (1) The IRS has established the State Income Tax Levy Program (SITLP) in many states. This program matches computer tapes of IRS liabilities and state refund tapes. The state tax agency sends payment with a list (or tape) of taxpayers whose refunds were taken.
- (2) Payments posted before 2000 used designated payment code (DPC) 04. Starting in 2000, these payments use DPC 20 for systemically applied payments and DPC 21 for manually applied payments. If the taxpayer says a state refund paid the amount owed, check IDRS for the payment. If it has not posted, ask for a copy of the state's letter showing the refund was taken. If the refund only pays part of the amount owed, collect the rest.
- (3) Taxpayer inquiries regarding errors with SITLP levies may require coordination with SITLP coordinator to resolve. See IRM 5.19.9.3.3, SITLP Coordinator.

5.11.6.7.9
(01-22-2010)
**National Labor Relations
Board and Backpay
Awards**

- (1) Backpay awards administered by the National Labor Relations Board (NLRB) can be attached by issuing Form 668-A, Notice of Levy, to the appropriate Regional Office of the Board. See Exhibit 5.11.6-2 for addresses, contacts, and phone numbers for the NLRB Regional Offices. Send the levy to the office closest to the location of the taxpayer. If it is unclear which office to send the notice of levy to, then call the closest office or access www.nlr.gov and click on "Find Your Regional Office".
- (2) Include the case name and number on the form.

If	And	Then
There has been a final non appealable determination that the taxpayer is eligible for payment	The amount of the award has been determined	The NLRB Regional Office will forward the levy payment.
There has been a final non appealable determination that the taxpayer is eligible for payment	The amount of the award has not yet been determined	The NLRB Regional Office will notify the contact person on the notice of levy that the amount of the backpay award and the date of distribution are unknown. NLRB will provide an estimated date, if available, when they will comply with the levy.
A levy has been served	The IRS no longer wants the NLRB to honor the levy	The IRS will issue a levy release to the NLRB Regional Office

If	And	Then
There has been no final determination that the taxpayer is eligible for payment (case is under investigation or on appeal)	N/A	The NLRB Regional Office will complete the back of the levy form indicating no money is owed the taxpayer. If the taxpayer later becomes eligible for payment, the Regional Office will so advise the revenue officer who issued the notice of levy so that a new levy can be issued, if appropriate.

- (3) If the amount of the check for the backpay award exceeds the amount of the taxpayer's outstanding tax liability, apply the full amount of the check to the taxpayer's account and any overpayment will be refunded to the taxpayer subject to IRS overpayment/refund procedures. The refund will be systemically issued, no action is required of the RO.
- (4) If the taxpayer's employer has not withheld the taxes from the backpay award, the NLRB will withhold the taxes before issuing the levy payment.

5.11.6.8 (03-15-2005) Receivables

- (1) Accounts receivable, notes receivable, and other debts owed to a taxpayer may be levied upon.
- (2) Accounts receivable are assets representing money due to a taxpayer for products and services provided on credit.

Example: monies owed to the taxpayer by clients, customers, patients, insurance companies, rental income, funds processed by credit card companies

- (3) Consider issuing a summons to the taxpayer's bank for deposited items to obtain information on possible accounts receivable on which to levy.
- (4) A note receivable is a certain amount loaned to another that is owed and payable at a certain time to the holder of the promissory note.

Example: money loaned to a customer, employee, or officer of the company.

- (5) A notice of levy reaches future payments, only if the taxpayer already has a right to them.
- (6) If receivables can be sold, consider seizing and selling them.

5.11.6.8.1
(01-22-2010)
Billing Services

- (1) Some taxpayers use billing services for receivables. The billing service may only prepare bills, or it may also receive payments.

If	Then
The billing service only prepares and sends the bills	Use a summons or Letter 6097, Notice to Exhibit Books and Records, to review records of the taxpayer's receivables to obtain levy sources.
The billing service receives payments and forwards them to the taxpayer	Serve a levy on the billing service.

Caution: Letter 6067 must not be used to solicit information from a financial institution within the Tenth Circuit or in any circumstance where a suit can be filed against the U.S. Government within the 10th Circuit. See IRM 25.5, Summons Handbook, for information on those circumstances.

- (2) Tapes may include records of many of the billing service's customers. Use a summons or Letter 6097 to get only the taxpayer's records. The ten calendar day response period for summonses may need to be extended to get the records extracted.
- (3) The billing service may deduct a fee and send the difference to the taxpayer. In this case, this is all the billing service needs to pay in response to the levy. If it normally sends the entire receivable to the taxpayer, then this should be paid in response to the levy.

5.11.6.9
(08-16-2017)
**Securities—Stocks,
Bonds, Mutual Funds,
etc.**

- (1) The taxpayer's ownership interest in securities is subject to collection. Stocks, bonds, money market accounts, mutual funds, and debentures are examples of securities.
- (2) The levied party's compliance with the notice of levy depends on the redemption rights of the taxpayer and the liquidity of the interest.
- Mutual funds are redeemed, and subject to the levy procedures. The broker or other levy source must turn over the redemption proceeds to the IRS in response to a notice of levy. The levy proceeds may be reduced by the broker commission or transaction fee the broker is entitled to under the agreement with the taxpayer. The brokerage or bank may ask that the request for liquidation be made in writing. Letter 5764, Request to Liquidate Levied Property, should be used for this purpose.
 - Certificated and uncertificated publicly-traded stock are subject to the levy procedures. The stock account held by a broker or other third-party agent should be liquidated in response to a notice of levy. The levy proceeds may be reduced by the broker commission or transaction fee the broker is entitled to under the agreement with the taxpayer. The brokerage or bank may ask that the request for liquidation be made in writing. Letter 5764, Request to Liquidate Levied Property, should be used for this purpose.

- c. Bonds are redeemable for cash at maturity. Prior to maturity, they are subject to seizure and sale. The collection mechanism used will depend on how close the proposed collection action is to the maturity date.
- d. Dividends payable and interest due at the time of the levy are subject to levy.

Note: In the rare case where the IRS has obtained possession of physical stock certificates as result of a levy or seizure, the IRS is still entitled to demand redemption or liquidation of the account from the third-party agent or other appropriate party.

Note: Do not demand the liquidation of stock that is not publicly-traded (for example shares in a closely-held corporation). In such a situation, seize and administratively sell the shares, or refer the case to Counsel for a lien foreclosure suit.

- (3) The following chart addresses the most common securities.

If	Then
The IRS levies on taxpayer's interest in mutual fund evidenced by electronic or paper statements,	issue Form 668-A to third party agent holding the account or the fund demanding turnover of proceeds minus previously agreed to commission fee.
The IRS levies on taxpayer's account of publicly-traded stock evidenced by electronic or paper statements,	issue Form 668-A to third party agent holding the account or the fund demanding turnover of proceeds minus previously agreed to commission fee.
In response to a levy a revenue officer receives certificates,	the certificates should be turned in for redemption or liquidation minus previously agreed to commission fee.

- (4) Compliance Services Campus Operations (CSCO) sometimes receives securities for ACS levies. CSCO sends these to the territory office for disposition.

5.11.6.10
(03-14-2024)
**United Nations (UN)
Employees' Income**

- (1) Legal processes can be served at the UN:
- with the Secretary General's approval
 - in conditions the Secretary General approves.

Note: This authority comes from a joint resolution of the 80th Congress.

- (2) Consider a levy on UN employees' salary only after all other sources have failed. Send the Form 668-W from the SB/SE Director, Collection Area to the Director of Collection Policy SE:S:DCCOS:C:HQC:P at Headquarters. Include a memo that explains attempts to collect the tax and any other relevant information. See IRM 5.11.1.3.5, Managerial Approval. See IRM 1.2.2.6.3, Delegation Order 5-3 (Rev. 1), Levy on Property in the Hands of a Third Party (not to include Levy Form 668-B).

Note: For a levy on payments that a contractor receives from the UN, the IRS should follow these procedures, and ensure that the immunities granted to the UN as a sovereign entity are respected.

Note: UN staff receive a Form 1099 Misc. or Form 1099 NEC to report income.

- (3) Headquarters will forward the levy to the State Department, who will share the levy with the UN and return to the revenue officer a copy for the case file.
- (4) Because of the restriction on legal process, the levy is used to counsel the employee.

5.11.6.11

(03-14-2024)

Additional International Organizations

- (1) Some international organizations that have headquarters within the United States are entirely immune from service of levy and, accordingly, are under no obligation to honor a levy. Do not issue notices of levy to collect taxes owed by the employees of such organizations. At present, such organizations include:

- The World Bank,
- Inter-American Development Bank.

Note: There are five closely associated institutions that each have a distinct role and together form the World Bank; the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

5.11.6.12

(11-05-1999)

Mutilated Currency

- (1) Mutilated currency may be redeemed at the Department of Treasury. It can also be turned in to a bank which will send it to Treasury for redemption. This can be levied.
- (2) The fact that mutilated currency was turned in may be found out through routine investigation. Also, if the amount is \$5000 or more, the Office of Currency Standards reports the request to IRS. Then, this may be reported to the area where the redemption was requested.

5.11.6.13

(01-22-2010)

Levy on Non-Liable Spouse in a Community Property State

- (1) In community property states, taxpayers who are liable for delinquent tax have a community property interest in their spouse's property and rights to property. In this case, the delinquent taxpayers' property rights in their spouses' property and rights to property might be subject to levy.

Example: Taxpayers who are liable for delinquent tax may have a community property interest in their spouses' wages, so the wages of the spouse who is not liable for the tax might be subject to levy to pay it.

- (2) Community property laws vary from state to state. This may affect how much of a non-liable spouse's property can be attached by a levy. If you receive information or evidence, the delinquent taxpayer with a community property interest is divorced or separated contact CEASO advisor regarding impact for that location. State law may have other effects, too. Contact CEASO advisor for advice on any special language or inserts/cover letters needed with the

levy, unless local instructions have already been issued for how to handle these levies. CEASO advisor will consult with Associate Area Counsel, as needed.

Note: For further information about community property, see IRM 25.18.4.2, Context of Collection Issues.

5.11.6.13.1
(03-14-2024)

Wages and Salary

- (1) Although a non-liable spouse's wages or salary might be subject to levy, the levy does not have a continuous effect. This is because the Internal Revenue Code says that a levy on a **taxpayer's** wages and salary is continuous. However, in this case, the **non-liable spouse's** (not the **taxpayer's**) wages or salary is being levied.
- (2) Although a levy on a non-liable spouse's wages or salary is not continuous, the exempt amount can still be claimed.
 - a. However, because the levy might attach only part of the non-liable spouse's income, the portion that is not attached can be treated like an income source that is not being levied when the exempt amount is figured. See IRM 5.11.5.4.4, Taxpayers with More Than One Source of Income.

Example: A non-liable spouse's weekly take home pay is \$1300. Assume this person is in a state where a levy attaches half of a non-liable spouse's wages, and this is the only source of income that is levied. This means \$650 is not attached by the levy. If this levy is served in 2020, and the person is filing jointly with two dependents, \$642.30 is exempt from levy. Since the exempt amount is less than the amount that is not levied, no exempt amount is subtracted from the \$650 that the levy attaches. The employer should send a weekly check of \$650. The \$642.30 exempt amount has been accounted for by the other \$650 that is not attached.

Example: Take the same facts as the prior example, but the person claims four dependents, so the weekly exempt amount is \$807.68. Because this is more than the \$650 that is not attached, the person needs to be allowed an additional exempt amount from the \$650 that is attached. This is figured.

\$807.68 Exempt from Levy
~~-\$650.00~~ Not Attached by the Levy
 \$ 157.68 Additional Exempt Amount to be Allowed

The employer, then, figures:

\$650.00 Attached by the Levy
~~-\$ 157.68~~ Additional Exempt Amount
 \$492.32 Weekly Levy Proceeds

- b. As a practical matter, a simpler explanation may be to tell the employer to send half of the person's take home pay if the exempt amount is less than half of that, but follow the instructions on the levy form if the exempt amount is more than half of the take home pay.

Example: This will lead to the same amount of levy proceeds.

\$1300.00 Take Home Pay
~~-\$807.68~~ Exempt Amount
 \$492.32 Weekly Levy Proceeds

5.11.6.13.2
(05-26-2021)

Notice to the Non-Liable Spouse

- (1) When a taxpayer's community property interest in a non-liable spouse's property or right to property is levied, the notices in IRM 5.11.1.3.2, Required Notices, must have been sent to the taxpayer. However, do not send these notices to the non-liable spouse.
- (2) After serving the notice of levy, notify the non-liable spouse of the levy in the same manner required for taxpayer notice. See IRM 5.11.2.2.7, Notifying the Taxpayer After Serving the Levy.
 - a. If a notice of levy is served, e.g., on a bank account, a copy of the levy is sent to the taxpayer. Part 4 of Form 668-A or Form 8519 is generally used for this. In this case, though, also send a photocopy of the taxpayer's copy of the levy to the non-liable spouse.
 - b. If a levy is served on wages, salary, or other income, the statement of exemptions and filing status notifies the taxpayer of the levy. Similarly, the non-liable spouse will get these copies of the levy to claim the exempt amount, and this is the notification that a levy has been served.
- (3) The non-liable spouse can appeal the notice of levy under the Collection Appeals Program. For referral to Taxpayer Advocate Service (TAS) see IRM 5.1.9.4.1(8).

5.11.6.14
(06-29-2001)

Levy on Inheritances

- (1) If a taxpayer is due an inheritance, serve the notice of levy on the administrator/executor.

5.11.6.15
(01-22-2010)

Limited Liability Companies

- (1) For employment taxes on wages paid prior to January 01, 2009, a single member/owner LLC that did not elect to be classified as an association taxable as a corporation is "disregarded" as an entity separate from its owner for Federal Tax purposes. However, under regulations issued in August 2007, disregarded single member/owner LLCs will be treated as entities separate from the single member/owner for employment tax purposes for wages paid on or after January 1, 2009. Therefore, if a single member/owner LLC has not elected to be classified as an association taxable as a corporation, the LLC will be liable for employment taxes on wages paid to the employees of the LLC on or after January 01, 2009.

Note: For the impact of regulations issued in August 2007 on certain excise taxes see IRM 5.1.21.13.6.1, Impact of Regulations Changes on Employment and Excise Taxation for a Disregarded Entity.

- (2) There is no systemic method of determining whether an assessment in the name and Employer Identification Number (EIN) of an LLC for employment taxes on wages paid prior to January 1, 2009 is the responsibility of the LLC or a single member/owner (SMO). Prior to taking levy action on these assessments, you must determine whether the LLC or the SMO is the liable taxpayer. See IRM 5.1.21, Collecting from Limited Liability Companies.
- (3) A levy will attach only to the assets of the taxpayer identified. Identify levy source type on ICS using "P" for primary when the LLC is the liable taxpayer and "S" for the secondary when the SMO is the liable taxpayer.
- (4) When the LLC is the liable taxpayer, a notice of levy must reflect the name, trade name, if applicable, and EIN of the LLC, and **not** the name and identification number(s) of the SMO.

- (5) When the SMO is the liable taxpayer, a notice of levy must reflect the name and identification number(s) of the SMO and **not** the name, trade name or identification number of the LLC.
- (6) If the SMO is the liable taxpayer for assessments in the name and EIN of the LLC, special care is needed when preparing a notice of levy:
 - Generate the notice of levy through ICS, selecting the appropriate Name/Address record and tax periods for the SMO.
 - Make any corrections using the edit features of Microsoft Word.
 - To avoid accounts being incorrectly attached and to facilitate the posting of levy proceeds received, a disclaimer may be added to the notice of levy: "This notice attaches to all accounts in the name of (single member owner name and EIN) as owner of (name of disregarded LLC and EIN) but does not attach accounts established in the name of (name of disregarded LLC and EIN)"
- (7) When the LLC is liable for some tax periods and the SMO is liable for other tax periods, issue a separate notice of levy for each liable taxpayer, selecting the appropriate Name/Address record and tax periods for each levy.

5.11.6.16
(01-01-2011)
**Levies on Merchant
Accounts**

- (1) This section contains guidance on levies issued on merchant accounts.

5.11.6.16.1
(01-01-2011)
Merchant Accounts

- (1) A merchant account is a contract between a merchant and a bank or processor. The merchant account (contract) allows the bank or processor to process and/or receive card-based payments (credit or debit payment) for goods and/or services on the merchant's behalf. This contract allows the merchant to accept card based payments.
- (2) In this situation, the parties are as follows:
 - The merchant is the taxpayer.
 - A merchant service provider is the organization responsible for directly maintaining the relationship with the merchant (taxpayer.) The merchant service provider is normally an Independent Sales Organization or Merchant Service Provider (ISO/MSP). Few banks are currently ISO/ MSPs.

Example: A taxpayer owns a restaurant and wants to accept customer credit or debit card payments. The taxpayer enters into a contract with an ISO/MSP to process card-based payments. The ISO/MSP provides a merchant account for the taxpayer to account for the funds received at the end of the payment process.

 - An acquiring bank, also known as an acquirer, is the bank (or processor) that acquires the funds received on behalf of the merchant (taxpayer) at the end of the card-based payment process.
 - The issuing bank is the bank of the cardholder (customer) that purchases goods or service from the merchant (taxpayer).
- (3) Per the terms of the merchant account (contract), the acquiring bank (or processor) exchanges funds with issuing banks on behalf of the merchant

(taxpayer), and pays the merchant for the net balance of their daily payment card activity: gross sales, minus reversals, interchange fees, and acquiring bank (or processor) fees. The acquiring bank (or processor) normally transfers a batch of payments to the merchant (taxpayer) daily.

Note: Some debit card transactions are settled directly to the merchant's (taxpayer's) operating bank account (normally checking account) nearly instantaneously and therefore are not transferred with the daily batch.

- (4) The ISO/MSP sells the merchant (taxpayer) the service of processing the credit card payments from the point of sale to the funds transfer to the acquiring bank. The point of sale (POS) is when the cardholder (customer) purchases a good or service from the merchant (taxpayer). The service sold to the merchant usually includes the equipment used at the POS, the service of a processor, and the merchant account (contract).

Note: Although card payment processing methods vary by industry, typically, taxpayers get their card-based payment processing services from an ISO/MSP. Few banks actually sell processing or function as processors. A bank business customer who wants to take credit/debit cards is usually sent to the bank's subsidiary corporation which processes credit card transactions or an ISO/MSP who works with the bank.

- (5) A "card network" or "interchange" is the network that acts as an intermediary between an acquiring bank and an issuing bank. VISA and MasterCard are card networks. The process of authorization, capture, and transfer of card-based payments goes through a card network or interchange.
- (6) A processor provides the service of processing the card-based payments through the card network. The processor may be the ISO/MSP, acquiring bank, or a financial institution that specializes in card-payment processing. Regardless of the nature of the processor, the merchant account (contract) is between the merchant (taxpayer) and the acquiring bank or processor.

Example: For VISA/MasterCard, the merchant (taxpayer) may establish a merchant account (contract) directly with an ISO/MSP or a processor to accomplish the card-payment processing. However, for the VISA/MasterCard network, the acquiring bank must be a bank or a processor owned by a bank.

- (7) The acquiring bank or processor provides the merchant (taxpayer) with a monthly merchant account statement. The Merchant Account Statement is similar to a bank statement and tells the merchant (taxpayer) about daily credit card transactions, fees paid and money amounts transferred to the merchant's (taxpayer's) bank account.

5.11.6.16.2
(12-02-2011)

Determining the location of the Merchant Account

- (1) To determine the location of the merchant account (contract), determine the acquiring bank or processor that holds the merchant account (contract).
- (2) During initial contact, determine if the taxpayer accepts card payments. If the taxpayer accepts card payments, then secure:
- The name and address of the merchant service provider
 - Merchant account number (this is not a Routing Transaction Number (RTN))

- The name and address of the acquiring bank (bank or processor) that holds the merchant account (contract)
- Copy of the merchant agreement
- A copy of three months of merchant account statements

- (3) In the event of a non-responsive taxpayer, secure the information through the taxpayer's bank holding the operating bank account (normally a checking account). The acquiring bank's RTN and the merchant account number may appear on the taxpayer's operating bank account statements.
- (4) If unable to otherwise secure it, secure the merchant account number by a summons to the processor or acquiring bank, specifically requesting the merchant account number.

5.11.6.16.3
(09-26-2014)

**Property the Merchant
Account Levy Attaches**

- (1) IRC 6331(b) provides that a levy shall extend only to "property possessed or obligations existing at the time" of the levy. Under the terms of a merchant account, the acquiring bank or processor is obligated to pay the taxpayer for all credit card sales made. This obligation arises at the time of the sale, not when the funds are later forwarded to the acquiring bank.
- (2) Based upon the manner in which the processor or acquiring bank processes card-based payment sales, the acquiring bank or processor may have difficulty determining exactly which processing fees will be paid during the card-based payment process at the moment the levy is issued. The acquiring bank or processor cannot use this fact to refuse to honor the IRS's levy. Since the acquiring bank or processor does not make payments to the taxpayer instantaneously, the acquiring bank or processor clearly owes the taxpayer funds at least daily.
- (3) The funds held by the processors and acquiring bank are not deposits within the meaning of IRC 6332(c) and the 21 day holding period does not apply to these funds. Therefore, the credit card processor makes the payment when they otherwise make payments according to the merchant contract.

Example: The taxpayer's restaurant runs, batches, and transmits their credit card receipts daily with their processor. According to the merchant account (contract), the processor, agrees to deposit the funds into the restaurant's bank account three days after the credit card receipts are run. When complying with a Notice of Levy, the processor would remit the funds to the IRS three days after the receipt of the Notice of Levy according to the merchant account (contract). The levy funds remitted will not include the restaurant's receipts after the day the levy was served.

5.11.6.16.4
(09-26-2014)

**Issuing a Merchant
Account Levy**

- (1) Serve levies on the acquiring bank or processor holding the merchant account (contract).
- (2) The contract for some processors provides that processor will process the transaction and transmit to the issuing bank notification that the amount due should be sent to the acquiring bank. For this type of contract the processor will not have the funds owed to the taxpayer. A levy must be served to the issuing bank for this type of contract.

- (3) Use Form 668-A, Notice of Levy, to levy funds held by a merchant account provider. In order to eliminate any confusion on the part of the processor and to minimize litigation on the part of the IRS, include the following paragraph on the levy.

Note: “This levy attaches to the proceeds of all sales completed by the taxpayer at the time the levy is issued, irrespective of when the processor pays the taxpayer. This levy may attach to funds being maintained in a charge back account or any other account which serves a similar function.”

- (4) Consider issuing a levy on regular intervals (i.e. daily, every other day or weekly) since credit card processor levies are not continuous. If the processor will not accept the levy via fax, forward using the mail. Do not send a batch of sequentially post-dated levies to levy daily – a new levy must be issued each day.

Note: Issuing a card payment levy by certified mail with a return receipt requested or via a fax machine with delivery confirmation requested will assist in determining the date and time the levy was received. Retain the certified mail receipt or the fax report of receipt in the administrative case file as proof of delivery of the levy.

5.11.6.16.5
(09-26-2014)

Collecting from Charge Back Accounts

- (1) Levies issued to a processing company attach to both the credit card sales made and funds held in the “charge back accounts.” Some merchant agreements alternatively identify a charge back account as a “reserve account,” a “secondary account,” or a “security account.” Although funds held in a charge back account belong to the merchant/taxpayer, under the typical contract, they are not available to the merchant/taxpayer until a specified amount of time after the contract is terminated.
- (2) Depending on the merchant, the merchant agreement and the nature of the business, the size of a particular merchant charge back account may vary greatly. Review the merchant agreement to determine if the business is required to maintain a charge back account and the relative priority in these funds between the processing company and the IRS.
- (3) The processing company may have priority over the IRS with respect to the funds in the charge back account if any of the following apply:
 - a. The processing company has executed a setoff. This only applies if the processor has actually exercised the right of setoff and has evidence that it was done before the levy, otherwise funds in the charge back account still belong to the merchant and the IRS’s levy will attach.
 - b. The processing company has a security interest earlier in time than the filing date of the notice of federal tax lien under IRC 6323(a). The processor’s priority interest in the contents of the reserve account is only valid to the extent that it has parted with “money or money’s worth.”
 - c. The processor may hold a superpriority under IRC 6323(b)(10). The super priority may not apply to all processors as IRC 6323(b)(10) only applies to a bank or similar institutions. Additionally the processor bank must have parted with money or money’s worth, as of the date that the processor bank is served with the levy and learns of the federal tax lien. See IRM 5.17.3.10.4(4), Bank Account.

- (4) If the IRS levy has priority over the funds in the charge back account the processing company will not have to turn over those funds to the IRS until the time period specified in the merchant agreement has expired. The IRS does not have the right to unilaterally cancel the merchant agreement and force the funds in the charge back account to be paid over immediately.

5.11.6.17
(09-26-2014)
Levy on Daycare

- (1) Daycare is a service industry populated by individuals skilled in providing child care or elder care. They can be organized in the standard business structure or as a non-profit organization and may be affiliated with churches or a community service organization. The major source of income is a combination of private payments from parents, frequently involving a contractual relationship with the daycare and government funding. The latter involves numerous state, county and local government programs.
- (2) Before serving a levy on the parents of children in daycare or participant in elder care (or their guardians), consider the following:
 - a. Determine if the levy on the parent/participant (or guardian) will have the most impact of available enforcement actions. Will the levy result in significant payment or positively impact the resolution of the case.
 - b. Discuss levy action with manager to identify advantages and disadvantages of the alternative method of collection. Document this discussion in the ICS history.
 - c. The decision to levy on parent/participant (or guardian) must be based on the individual facts and circumstances of each case.
 - d. Develop a plan for communicating the levy action to the parent/participant (or guardian) to alleviate confusion and address concerns. Seek counsel guidance if necessary in drafting a cover letter.

5.11.6.18
(09-26-2014)
Levy on Long-Term Care Facilities

- (1) The following information provides guidance when it may be necessary to levy the primary source of income for a long-term care (LTC) provider/facility that impacts the facilities ability to continue to operate. Levies may leave patients at risk if there is no other facility in the area.
- (2) These facilities are generally referred to as skilled nursing facilities (SNFs) in the Medicare program and as nursing facilities (NFs) in the Medicaid program
- (3) Because these types of cases involve patient welfare the determination to levy should consider whether the LTC facility is non-compliant, uncooperative pyramiding and unable to pay. Discuss the potential sensitive case issues with the manager when enforcement may be necessary and document the case with alternative methods of collection considered prior to levy. Document this discussion and managers concurrence with plan of action in the ICS history.
- (4) Many LTC facilities receive Medicare, Medicaid or other government-funded subsidies, through the state health services agency. Levy of the primary income source may have an adverse financial impact, compelling the owners to close the business. Levies may leave patients at risk if there is no other facility in the area. To determine if alternate facilities are available, notify the appropriate state agency in advance of potential enforcement action.
- (5) When contacting the state prior to levy:

- Guard against disclosure violations and only share general information about the levy process, regardless if a notice of federal tax lien has been filed.
- Ask the contact if there are other facilities in the area to relocate the patients.

Note: Generally, each state has a patient relocation plan in effect. If a care facility closes, the IRS is not responsible for relocating the patients. In many cases, the state will assist with patient relocation. Furthermore, IRC 6113 of the “Patient Protection and Affordable Care Act” under section, 1128I (h) mandates specific procedures in the event of a SNF or NF closure. These procedures help protect the resident, the resident’s family, and visitors because they require the facility administrator to provide an organized plan to the state that allows the resident to make the necessary adjustments within a reasonable time frame. The plan must be submitted and approved by the state agency at least 60 days prior to the impending closure.

- (6) An additional source for LTC facilities can be found on CMS web page titled “Nursing Home Compare” that has detailed information about every Medicare and Medicaid-certified nursing home in the country. The web page address is: <http://www.medicare.gov/nhcompare/include/datasection/questions/proximitysearch.asp?bhcp=1>.

5.11.6.18.1
(03-28-2016)
**Additional Levy
Considerations**

- (1) Major sources of income for LTC can be a combination of private payments from relatives and government funding.
- (2) Review of LTC bank deposit items will help determine the identity of any residents for whom rent is paid by a family member directly to the SNF operator entity. A levy may be issued to those family members to attach those funds, which are generally due on a monthly basis. Follow the procedure in IRM 5.11.6.18 when determining whether to issue a levy to a family member.
- (3) Because most patients who require LTC become insolvent at some point due to the cost, most occupy Medicaid authorized beds. The SNF operator is reimbursed on a per diem basis from the Medicaid program for care of the patient in each Medicaid authorized bed that is occupied on a particular day. These per diem funds are the primary source of income for most SNFs. In order to levy effectively and capture all of the funds being paid by Medicaid to the operator, levies need to be sent DAILY. It is highly recommended that arrangements be made in advance to fax the levies directly to the Accounts Payable Department for your state’s administering agency and to confirm receipt on the same day.
- (4) The SNF operator bills Medicare for any medical services provided, whether for doctors on staff, rehab services, medication, or other type of medical service provided to the patient. Claims for these services are paid by Medicare administrative contractors, referred to as MACs. Once a claim has been approved for payment, there is a minimum 14 day aging period during which the funds must be held by CMS before the payment can be released to the medical provider (14 days for claims submitted electronically and 28 days for claims submitted via paper). In order to capture all payments aging in the system and/or due to be released at any given time to medical provider, a new levy should be issued to the appropriate MAC every 14 days.

- (5) The CMS maintains a web page that contains locations for MACs jurisdictions, their definitions, and who holds the contract currently. The web page address is <https://www.cms.gov/Medicare/Medicare-Contracting/Medicare-Administrative-Contractors/MedicareAdministrativeContractors.html>. To locate an MAC, access the web page and search **Who are the MACS** based upon MACs by state. Then follow the links to locate your geographic region and MAC contact information.

5.11.6.19 (05-26-2021) **Levy on Qualified Tuition Program**

- (1) Qualified tuition programs (QTPs) are also called “529 plans.” QTPs allows for either the prepayment or the contribution to an account established for paying, a student’s qualified educational expenses at an eligible educational institution. The QTP designated beneficiary is usually the student or future student for whom the plan is intended to provide benefits. The tax benefit of a QTP is that no tax is due on a distribution unless the amount distributed is greater than the beneficiary’s adjusted qualified education expense.

Note: IRC 530 (Coverdell education saving accounts) which, like 529 plans, are not exempt from levy, but differ in that the person setting up a Coverdell ESA does not have the right to withdraw the funds. Those funds are held for the benefit of the beneficiary.

- (2) There are two basic types: prepaid tuition plans and savings plans. Generally, each state has its own plan and each is unique. States are permitted to offer both types. A qualified education institution can only offer a prepaid tuition type 529 plan.

Note: While a levy attaches to either plan additional information may be required to determine the taxpayer’s rights for converting a prepaid tuition plan to cash. If there are questions on liquidating a prepaid tuition plan seek advice from Collection Advisory and Associate Area Counsel.

- (3) Whoever purchases the QTP interest or opens the QTP account, is the account owner and controls the funds until they are withdrawn. Prior to levying on a QTP you should determine who is the account owner and what rights they have for taking a distribution. If there are questions on who owns the account levied seek advice from CEASO advisor and Associate Area Counsel.
- (4) Because the QTP provides for the student’s qualified educational expenses, discuss the levy with appropriate manager if unique case facts or potentially sensitive issues are known that may affect the levy determination.
- (5) The IRC 529 does not provide a levy exception for the 10 percent additional tax on taxable distributions from a Qualified Tuition Program.
- (6) See Publication 970, Tax Benefits for Education, for general information on QTP.

5.11.6.20 (08-16-2017) **Levy on Employee Benefit Plan Assessments**

- (1) Levies may be issued in relation to Form 5330, Return of Initial Excise Taxes Related to Employee Benefit Plans, and Form 5500, Annual Return/Report of Employee Benefit Plan.
- (2) The same required notices and pre-levy determination used for other balance due accounts apply for these assessments. See IRM 5.11.1.3.2, Required Notices.

- (3) Prepare manual Form 668-A, Notice of Levy per IRM 5.11.2.2.2. In the Kind of Tax section, enter “5330” or “5500” and include the plan number associated with the assessment (i.e. Plan Number 001).

5.11.6.21
(03-14-2024)
Digital Asset

- (1) Digital asset are a digital representation of value, other than a representation of the U.S. dollar (USD) or a foreign currency (“real currency”), that functions as a unit of account, a store of value, or a medium of exchange. Some digital assets are convertible, which means that they have an equivalent value in real currency or act as a substitute for real currency.

Note: Digital assets is a broader term that includes cryptocurrency, and virtual currency may or may not be digital (although in reality most virtual currency is digitally stored). See IRC 6045 (g)(3).

5.11.6.21.1
(03-14-2024)
Digital Asset Levy

- (1) The taxpayer’s ownership interest in virtual currency **held** by a Virtual Asset Service Provider (VASP), such as a hosted wallet provider, a digital asset service provider, or an investment broker, is subject to collection. Therefore, a paper levy issued to a U.S.-based VASP should be honored, just like any other levy source, and should convert the digital assets into USD at the current transaction price.
- (2) Digital assets are defined in the Internal Revenue Code as digital representations of value which are recorded on a cryptographically secured distributed ledger, such as a blockchain, or any similar technology specified by the Secretary.

Note: Examples of digital assets include virtual currency, cryptocurrency and non-fungible tokens.

- a. Digital asset wallets can be digital (software programs) or physical (hardware). The wallets store the user’s private and public keys and other asset-tracking data that allow the user the ability to transfer digital assets. The digital asset wallets can be custodial (hosted) or non-custodial (unhosted). On hosted wallets, the VASP, rather than the user, controls the private key. VASP are a third-party custodial service that allow users to trade one type of digital asset for another type of digital asset or for real currency.
 - b. A digital assets exchange is an example of a VASP. They hold the user’s digital assets in a hosted wallet.
 - c. Some investment brokers allow customers to invest in virtual currencies or in digital asset derivatives, such as options and futures.
- (3) Pursuant to *Notice 2014-21*, for federal tax purposes, virtual currency (and generally all digital assets) are treated as property. As property, virtual currency are subject to levy action by the IRS. The federal tax lien provided for by IRC 6321 attaches to “all property and rights to property” of the person or entity liable for the tax. This broad statutory language is interpreted to include all real, personal, tangible, and intangible property of greatly varying natures, as well as future interests. The IRS may levy upon all property and rights to property belonging to a person who neglects or refuses to pay any federal tax liability within ten days after notice and demand. Under IRC 6331, the IRS has the power to seize and reduce to its possession or control a taxpayer’s property that is in the possession of a third party as well as any property of the taxpayer in the taxpayer’s possession.

- (4) Prior to issuing the levy, ensure that the VASP is located in the U.S. Just like banks, some may only have a presence in a foreign country.
- (5) If possible, determine if the VASP qualifies as a bank under IRC 408(n). VASP that qualify as a bank must wait 21 calendar days after service of a levy before surrendering the funds in the account (including interest thereon) held by the them, subject to extension. See IRM 5.11.4.2, Holding Period.

Example: Based on the license VASP holds in its state of incorporation and the language of IRC 408(n)(3), the VASP qualifies as a bank. Therefore, when responding to a levy, the VASP would hold the funds for 21 calendar days before remitting the money to the revenue officer.

- (6) Use Form 668–A, Notice of Levy to levy property that a VASP is holding. Allow them a reasonable period of time to convert the digital assets into USD. Advise the VASP that qualifies as a bank for purposes of the “21 calendar day” holding period that the account should be liquidated in response to the levy as soon as practicable on the first business day after the holding period, or any extension thereof, expires. State on the notice of levy or in the “Special instructions” field, “This levy attaches to all property and rights to property, including cryptocurrency belonging to the taxpayer that is currently held by the VASP named above. Please liquidate the cryptocurrency and remit the proceeds to us by mailing a check payable to United States Treasury.”
- (7) If the VASP refuses to convert the digital assets into USD, and responds to the levy that they wish to comply by turning unliquidated digital assets over to the IRS, consult Counsel to discuss how to proceed.

Note: Be aware of the taxpayer’s contractual rights to withdraw fiat currency or digital assets held through an account with a VASP and the potential effect this may have on the levy. When the IRS issues a notice of levy to a third party, the IRS steps into the shoes of the taxpayer with respect to all property or rights to property. For example, customers of a VASP may be contractually limited to a specific withdrawal amount each day, depending on account characteristics. If the taxpayer’s rights are contractually limited, the IRS must understand these limitations prior to pursuing a levy enforcement action.

This Page Intentionally Left Blank

Exhibit 5.11.6-1 (01-08-2020)

Addresses often used for Levy on Federal Contracts

Agency	Address
Agency for International Development	1300 Pennsylvania Ave. Washington, DC 20523 Telephone number: 202-712-0000
Agriculture, Department of	1400 Independence Ave. SW Washington, DC 20250-9303 Telephone number: 202-720-3035
Appalachian Regional Commission	1666 Connecticut Ave. NW Room 730 Washington, DC 20235 Telephone number: 202-884-7730
Commerce, Department of	1401 Constitution Ave. NW Washington, DC 20230
Commodity Futures Trading Commission	1155 21st Street NW Washington, DC 20581 Telephone number: 202-418-5164
Consumer Product Safety Commission	4330 East West Highway, Room 522 Bethesda, MD 20814
Corporation for National and Community Service	1201 New York Ave NW, Room 7209 Washington, DC 20525
Defense, Department of, Defense Financing and Accounting Service-Columbus Center	Attn: DFAS-BKSD/CC Debt Management Office PO Box 182317 Columbus, OH 43218-2317
Education, U.S. Department of	Federal Building No. 6 400 Maryland Ave. SW Washington, DC 20202
Energy, Department of	1000 Independence Ave. SW Washington, DC 20585-0001
Environmental Protection Agency	Ariel Rios Building, 1200 Pennsylvania Ave. NW, Washington, DC 20460
Equal Employment Opportunity Commission	National Business Center Fiscal Services Branch EEOC Processing 7301 W. Mansfield Ave. Mail Stop D-2735, Denver, CO 80235
Federal Aviation Administration	Financial Systems Branch, ABA-320 800 Independence Ave. SW Washington, DC 20591
Federal Communications Commission	Attention. Chief Financial Officer Washington, DC 20554

Exhibit 5.11.6-1 (Cont. 1) (01-08-2020)**Addresses often used for Levy on Federal Contracts**

Agency	Address
Federal Election Commission	999 E Street NW, Room 819, Washington, DC 20463-0001
Federal Emergency Management Agency	500 C Street SW, Washington, DC 20472
Federal Energy Regulatory Commission	888 1st Street NE, Room 42-73 Washington, DC 20426
Federal Emergency Management Agency	500 C Street SW Washington, DC 20472
Federal Energy Regulatory Commission	888 1st Street NE, Room 42-73 Washington, DC 20426
Federal Mine Safety and Health Review Commission	Attention: Administrative Office, Suite 9500 601 New Jersey Ave. NW Washington, DC 20001-2021
Federal Reserve System	Room M-1200, Mail Stop 152 20th & Constitution Ave. NW Washington, DC 20551
Fish and Wildlife Service, U.S., Department of the Interior	FWS MS2544-MIB Washington, DC 20240
General Accounting Office, U.S. General Accounting Office	Attention: Claims Division Washington, DC 20548
General Services Administration	Attention: Sheila Gadd 1500 East Bannister Road Room 1011, Mail Stop 6BCT Kansas City, MO 64131 Telephone number: 816-926-7625
U.S. Geological Survey	Accounts Payable MS 270 122201 Sunrise Valley Dr. Reston, VA 20192
Government Printing Office	Attention: Comptroller (Stop FME) North Capitol & H Streets, NW Washington, DC 20401
Health and Human Services (PRS), Department of	200 Independence Ave, SW Room 519D S4 Washington, DC 20201
Housing and Urban Development, Department of	451 7th Street SW Washington, DC 20410-3000
Indian Affairs, Bureau of, Department of the Interior	BIA MS4070-MIB Washington, DC 20240
Inter-American Foundation, Financial Management & Systems Office	901 North Stuart Street Arlington, VA 22203

Exhibit 5.11.6-1 (Cont. 2) (01-08-2020)

Addresses often used for Levy on Federal Contracts

Agency	Address
Interior, Department of, Office of Policy, Budget and Administration	Attention: Fiscal Services PMD–F MS5257–MIB Washington, DC 20240
Internal Revenue Service	Beckley Finance Center Attention: Accounts Payable 110 North Heber St. Beckley, WV 25801
U.S. International Trade Commission	Attention: Office of Finance 500 E Street SW, Room 316
Justice, Department of	600 E Street NW, Rm 4045 Washington, DC 20530
The Kennedy Center	2700 F Street NW Washington, DC 20566–0001
Labor, Department of	200 Constitution Ave. NW Room N5425, Washington, DC 20210
Land Management, Bureau of, U.S. Department of Interior,	1849 C Street, NW, MS 5628, Washington, DC 20240
Merit Systems Protection Board	Attention: Finance, Suite 500 1615 M Street, NW Washington, DC 20036
Minerals Management Service, Department of the Interior,	1110 Herndon Parkway Bldg MS63 Herndon, VA 22070
Mines, Bureau of, Department of the Interior	Denver Federal Center P.O. Box 25207 Denver, CO 80225
National Aeronautics and Space Administration	Office of the Chief Financial Officer Attention: Diana Cermak, Room 8D40 300 E Street, SW Washington, DC 20546–0001
National Archives	8601 Adelphi Rd. Room 5200 (ADM–AQC) College Park, MD 20740–6001
National Bureau of Standards	Washington, DC 20234
National Capitol Planning Commission	801 Pennsylvania Ave. NW, Suite 301 Washington, DC 20576
National Endowment for the Arts	Finance Office - Room 624 1100 Pennsylvania Ave. NW Washington, DC 20506

Exhibit 5.11.6-1 (Cont. 3) (01-08-2020)**Addresses often used for Levy on Federal Contracts**

Agency	Address
National Endowment for the Humanities	1100 Pennsylvania Ave. NW Washington, DC 20506
National Gallery of Art	Attention: TGA, Mike Chapman 2000B South Club Drive Landover, MD 20785
National Labor Relations Board	1099 14th Street NW, Suite 6100 Washington, DC 20570
National Mediation Board	1301 K Street NW, Suite 250 East Washington, DC 20005
National Park Service, Department of the Interior	1925 Isaac Newton Square MS 309 Reston, VA 22092
National Science Foundation	1800 G Street NW, Room 475 Washington, DC 20550
Nuclear Regulatory Commission	1154 Rockville Pike Rockville, MD 20852
Occupational Safety & Health Review Commission	1120 20th Street, NW Suite 907 Washington, DC 20036
Office of Personnel Management	1900 E Street NW, Room SB427 Washington, DC 20415–9998
Peace Corps	Fiscal Services, Washington, DC 20526
Pension Benefit Guaranty Corporation	Attention: Matthew Vitello, FOD-GAB, 1200 K Street NW, Suite 6415, Washington, DC 20005
Postal Rate Commission	1333 H Street NW Washington, DC 20268–0001
Postal Service	1720 Market Street St. Louis, MO 63180–0100
President, Executive Office of the	Financial Management Division, Room 4007 725 17th St. NW Washington, DC 20503
Railroad Retirement Board	844 N. Rush Street Chicago, IL 60611–2092
Reclamation, Bureau of, Department of the Interior	Accounting Operations D2300 P.O. Box 27045 Denver, CO 80235–0045
Securities and Exchange Commission	6352 General Greenway Room 2418 Alexandria, VA 22312

Exhibit 5.11.6-1 (Cont. 4) (01-08-2020)

Addresses often used for Levy on Federal Contracts

Agency	Address
Selective Service System	1515 Wilson Blvd Arlington, VA 22209–2425
Small Business Administration	409 3rd Street, SW, Suite 3120 Washington, DC 20024
Smithsonian Institution	955 L'Enfant Plaza SW, Suite 3120 Washington, DC 20024
Social Security Administration	Office of Finance -DAP -2-B-4 ELR 6401 Security Blvd. Baltimore, MD 21235–0001
State, Department of	M/COMP/FO/OFO PO Box 9487 Arlington, VA 22209
Surface Mining, Reclamation, and Enforcement, Office of, Department of the Interior	Denver Federal Center PO Box 25065 Denver, CO 80225–0065
Tennessee Valley Authority	400 W Summit Hill Drive Knoxville, TN 37902–1499
Transportation, Department of	400 7th Street SW, Room 9401 Washington, DC 20590
Treasury, Department of	15th & Pennsylvania Ave NW Room 6100 Annex Washington, DC 20220
U.S. Arms Control and Disarmament Agency	320 21st Street NW Washington, DC 20451
U.S. Information Agency	301 4th Street SW, Room 668 Washington, DC 20547
U.S. Trade & Development Agency	SA–16, Room 3009 Washington, DC 20523–1602
United States Enrichment Corporation (USEC)	6903 Rockledge Drive Bethesda, MD 20817
Veterans Affairs, Department of, OSD BU	Financial Services Center Attention: Liz Dykowski (104/0473A) 1615 Woodward Street Austin, TX 78772

Exhibit 5.11.6-2 (08-16-2017)**National Labor Relations Board Addresses**

Region	Address	Phone Numbers
Region 1	National Labor Relations Board Jonathan B. Kreisberg, Regional Director 10 Causeway Street - Room 601 Boston, MA 02222-0172	617-565-6770
Region 2	National Labor Relations Board Karen P. Fernbach, Regional Director 26 Federal Plaza - Room 3614, New York, NY 10278-0104	212-264-0330
Region 3	National Labor Relations Board Rhonda P. Ley, Regional Director 130 S. Elmwood Avenue, Suite 630 Buffalo, NY 14202-2387	716-551-4934
Region 4	National Labor Relations Board Dennis P. Walsh, Regional Director 615 Chestnut Street 7th Floor Philadelphia, PA 19106-4404	215-597-7608
Region 5	National Labor Relations Board Wayne Gold, Regional Director Bank of America Center, Tower II 100 S. Charles Street - 6th Floor Baltimore, MD 21201-2733	410-962-2737
Region 6	National Labor Relations Board, Robert W. Chester, Regional Director 1000 Liberty Avenue - Room 904 Pittsburgh, PA 15222-4111	412-395-6844
Region 7	National Labor Relations Board Terry A. Morgan, Regional Director 477 Michigan Avenue - Room 300 Detroit, MI 48226-2569	313-226-3210
Region 8	National Labor Relations Board, Frederick Calatrello, Regional Director 1240 East 9th Street - Room 1695 Cleveland, OH 44199-2086	216-522-3725
Region 9	National Labor Relations Board, Gary Muffley, Regional Director 550 Main Street - Room 3003 Cincinnati, OH 45202-3271	513-684-3621
Region 10	National Labor Relations Board Claude T. Harrell, Jr., Regional Director 233 Peachtree Street, NE, Harris Tower, Suite 1000 Atlanta, GA 30303-1531	404-331-5862

Exhibit 5.11.6-2 (Cont. 1) (08-16-2017)

National Labor Relations Board Addresses

Region	Address	Phone Numbers
Subregion 11 - Winston-Salem	National Labor Relations Board Jane North, Officer-in-Charge Republic Square, Suite 200 4035 University Parkway Winston-Salem, NC 27106-3325	336-631-5240
Region 12	National Labor Relations Board Margaret J. Diaz, Regional Director 201 East Kennedy Boulevard, Suite 530 Tampa, FL 33602-5824	813-228-2646
Region 13	National Labor Relations Board Peter Sung Ohr, Regional Director 209 South LaSalle Street - Suite 900 Chicago, IL 60606-5208	312-353-7574
Region 14	National Labor Relations Board Daniel L. Hubbel, Regional Director 1222 Spruce Street - Room 8302 St. Louis, MO 63103-2829	314-539-7760
Subregion -33 Peoria	National Labor Relations Board Debra L. Stefanik, Officer-in-Charge 300 Hamilton Boulevard, Suite 200 Peoria, IL 61602-1246	309-671-7083
Region 15	National Labor Relations Board M. Kathleen McKinney, Regional Director 600 South Maestri Place, 7th Floor New Orleans, LA 70130-3413	504-589-6378
Region 16	National Labor Relations Board Martha Kinard, Regional Director 819 Taylor Street - Room 8A24 Fort Worth, TX 76102-6178	817-978-2938
Subregion 17	National Labor Relations Board Naomi L. Stuart, Officer in Charge 8600 Farley Street - Suite 100 Overland Park, KS 66212-4677	913-967-3003
Region 18	National Labor Relations Board Marlin O. Osthus, Regional Director 330 South Second Avenue, Suite 790 Minneapolis, MN 55401-2221	612-348-1799
Region 19	National Labor Relations Board Ronald K. Hooks, Regional Director 915 2nd Avenue - Room 2948 Seattle, WA 98174-1078	206-220-6310

Exhibit 5.11.6-2 (Cont. 2) (08-16-2017)**National Labor Relations Board Addresses**

Region	Address	Phone Numbers
Subregion 19 Portland	National Labor Relations Board Linda L. Davidson, Officer-in-Charge 601 SW 2nd Avenue, Suite 1910 Portland, OR 97204-3170	503-326-3289
Region 20	National Labor Relations Board Joseph F. Frankl, Regional Director 901 Market Street - Room 400 San Francisco, CA 94103-1735	415-356-5140
Subregion 37 Honolulu	National Labor Relations Board Thomas Cestare, Officer-in-Charge 300 Ala Moana Boulevard, Room 7-245 Honolulu, HI 96850-4980	808-541-2815
Region 21	National Labor Relations Board Olivia Garcia, Regional Director 888 South Figueroa Street Los Angeles, CA 90017-5449	(213) 894-5200
Region 22	National Labor Relations Board J. Michael Lightner, Regional Director 20 Washington Place - 5th Floor Newark, NJ 07102-3110	973-645-3240
Subregion 24	National Labor Relations Board Luis Padilla, Officer-in-Charge La Torre de Plaza, Suite 1002 525 F.D. Roosevelt Avenue San Juan, PR 00918-1002	787-766-5225
Region 25	National Labor Relations Board Rik Lineback, Regional Director 575 N. Pennsylvania Street - Room 238 Indianapolis, IN 46204-1577	310-226-7401
Subregion 26	National Labor Relations Board Christopher J. Roy, Officer-in-Charge 80 Monroe Avenue - Suite 350 Memphis, TN 38103-2481	901-544-0013
Region 27	National Labor Relations Board Wanda Pate Jones, Regional Director 1961 Stout Street, Suite 13-103 Denver, CO 80294-3005	303-844-6651
Region 28	National Labor Relations Board Cornele A. Overstreet, Regional Director 2600 North Central Avenue - Suite 1400 Phoenix, AZ 85004-3099	602-640-2082

Exhibit 5.11.6-2 (Cont. 3) (08-16-2017)

National Labor Relations Board Addresses

Region	Address	Phone Numbers
Region 29	National Labor Relations Board James G. Paulsen, Regional Director Two Metro Tech Center 100 Myrtle Avenue, 5th Floor Brooklyn, NY 11201-4201	718-330-7700
Subregion 30	National Labor Relations Board Benjamin Mandelman, Officer-in-Charge 310 West Wisconsin Avenue - Suite 450W Milwaukee, WI 53203-2211	414-297-3870
Region 31	National Labor Relations Board Mori Rubin, Regional Director 11500 West Olympic Blvd, Suite 600 Los Angeles, CA 90064	(310) 235-7371
Region 32	National Labor Relations Board William A. Baudler, Regional Director Ronald V. Dellums Federal Building and Court- house 1301 Clay Street - Room 300N Oakland, CA 94612-5211	510-637-3260
Subregion 34	National Labor Relations Board John Cotte, Officer-in-Charge 450 Main St. Hartford, CT 06103-3503	860-240-3002

Exhibit 5.11.6-3 (03-28-2016)**Medicare Administrative Contractors (MACs)**

State	MAC Address	MAC Phone Numbers
Alaska, Arizona, California, Hawaii, Idaho, Montana, North Dakota, Nevada, Oregon, South Dakota, Utah, Washington, Wyoming	Noridian Healthcare Solutions, LLC Attn: Noridian Mutual Insurance Co 900 42nd St South Fargo, ND 58103	<ul style="list-style-type: none"> • Phone 701-277-5188 • Fax 701-277-6530
Alabama, Georgia, Tennessee	Cahaba Government Benefit Administrators, LLC Attn : Daniele Greene PO Box 381896 Birmingham, AL 35238	<ul style="list-style-type: none"> • Phone 205-220-1385 • Fax 205-220-1413
Arkansas, Colorado, Washington, DC, Delaware, Louisiana, Maryland, Mississippi, New Jersey, New Mexico, Oklahoma, Pennsylvania, Texas	Novitas Solutions, Inc. Attn: Accounts Receivable - Tax Levy 2020 Technology Parkway, Suite 100 Mechanicsburg, PA 17050	<ul style="list-style-type: none"> • Phone 717-526-3408 • Fax 717-526-3483
Connecticut, Illinois, Massachusetts, Maine, Minnesota, New Hampshire, New York, Rhode Island, Vermont, Wisconsin	National Government Services, Inc. Attn: LEGAL DEPT, AF-25 8115 Knue Rd. Indianapolis IN 46250	<ul style="list-style-type: none"> • Phone 317-595-4831 • Fax 317-841-4680
Florida, Puerto Rico, Virgin Islands	First Coast Service Options, Inc. Attn: Debt Recovery ROC 3C Cynthia Wertman PO BOX 44141 Jacksonville, FL 32231-4141	<ul style="list-style-type: none"> • Phone 904-791-8522 • Fax 904-361-0664
Iowa, Indiana, Kansas, Michigan, Missouri, Nebraska	Wisconsin Physicians Service Insurance Corporation Attn: WPS Health Solutions - Legal PO Box 8190 Madison, WI 53713	<ul style="list-style-type: none"> • Phone 608-223-5841 • Fax 608-223-5898
Kentucky, Ohio	CGS Administrators, LLC Attn: Banking Team PO Box 25029 Nashville, TN 37202	<ul style="list-style-type: none"> • Phone 615-660-5722 • Fax 615-782-4622
North Carolina, South Carolina, Virginia, West Virginia	Palmetto GBA, LLC Attn: IRS Levy Processing, AG-340 2300 Springdale Drive, Bldg One Camden, SC 29020-1728	<ul style="list-style-type: none"> • Phone 803-382-6253 • Fax 803-870-9116

Exhibit 5.11.6-4 (03-14-2024)**Acronyms**

Acronym	Definition
ACA	Affordable Care Act
ACS	Automated Collection System
BFS	Bureau of the Fiscal Service
CAP	Collection Appeals Program
CDP	Collection Due Process
CEASO	Civil Enforcement Advice and Support Operations
CMS	Centers for Medicare and Medicaid Services
CPS	Correspondence Production Sites
CSCO	Compliance Services Campus Operations
CSED	Collection Statute Expiration Date
CSRS	Civil Service Retirement System
CZ	Combat Zone
DFAS	Defense Finance and Accounting Service
DLN	Document Locator Number
DPC	Designated Payment Code
EAEP	Exempt, Abandoned or Excluded Property
EFTPS	Electronic Funds Transfer Payment System
EIN	Employer Identification Number
FERS	Federal Employees Retirement System
FPLP	Federal Payment Levy Program
FRTIB	Federal Retirement Thrift Investment Board
FSA	Farm Service Agency
HHS	Health and Human Services
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
IMF	Individual Master File
IRA	Individual Retirement Arrangements
IRC	Internal Revenue Code
ISO	Independent Sales Organization
LLC	Limited Liability Company

Exhibit 5.11.6-4 (Cont. 1) (03-14-2024)**Acronyms**

Acronym	Definition
LTC	Long-Term Care
MAC	Medicare Administrative Contractors
MFT	Master File Tax
MSP	Merchant Service Provider
NFC	National Finance Center
NFTL	Notice of Federal Tax Lien
NLRB	National Labor Relations Board
OASDI	Old-Age, Survivors, and Disability Insurance
POA	Power of Attorney
QTP	Qualified Tuition Programs
RSDI	Retirement, Survivors, and Disability Insurance
SBSE	Small Business/Self-Employed
SITLP	State Income Tax Levy Program
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security Number
TAS	Taxpayer Advocate Service
TC	Transaction Code
TIGTA	Treasury Inspector General for Tax Administration
TIN	Taxpayer Identification Number
TSP	Thrift Savings Plan
UN	United Nations
USD	U.S. Dollar
USDA	United States Department of Agriculture
USPS	United States Postal Service
VA	Veterans Affairs
VASP	Virtual Asset Service Provider