



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.14.4

JUNE 11, 2018

EFFECTIVE DATE

(06-11-2018)

PURPOSE

- (1) This transmits a revision for IRM 5.14.4, *Withdrawals and Installment Agreements with Special Circumstances*.

MATERIAL CHANGES

- (1) IRM 5.14.4.8 was added to incorporate the guidance contained in Interim Guidance Memorandum SBSE-05-1117-0083, *Actions Required when Addressing Assessments Related to Employee Benefit Plans (MFT 74 and 76)*.
- (2) Updated IRM citations throughout the section.

EFFECT ON OTHER DOCUMENTS

This material incorporates Interim Guidance Memorandum SBSE-05-00116-0064, *Actions Required when Addressing Assessments Related to Employee Benefit Plans (MFT 74 and 76)*, and supersedes IRM 5.14.4, dated May 17, 2017.

AUDIENCE

SB/SE Collection Employees

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5.14.4

Withdrawals and Installment Agreements with Special Circumstances

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5.14.4-1 Withdrawal of Request for Installment Agreement

5.14.4.1
(06-11-2018)
Program Scope and Objectives

- (1) Purpose. This chapter discusses the installment agreement process for cases with special circumstances and withdrawals of installment agreement requests. As you use this chapter, remain alert for references to other resources, such as related IRMs and websites and access that guidance as needed to ensure a thorough understanding of topics. Specifically, IRM 5.14.4:
 - a. Discusses below deferral level taxpayers.
 - b. Describes procedures for installment agreements for multiple entities.
 - c. Discusses joint and several liability relief under IRC 6015.
 - d. Discusses considerations and procedures for withdrawals of installment agreements.
 - e. Establishes procedures for entering into installment agreements for restitution based assessments.
- (2) Audience. These procedures and guidance apply to IRS Field Collection Revenue Officers and Group Managers.
- (3) Policy Owner. The Director, Collection Policy is the policy owner of this IRM.
- (4) Program Owner. Collection Policy, Case Resolution Alternatives (CRA) is the program owner of this IRM.
- (5) Primary Stakeholders:
 - Field Collection
 - Independent Administrative Review
 - Insolvency
 - Appeals
 - Taxpayer Advocate Service
- (6) Program Goals. Installment agreements can be a viable case resolution for many delinquent accounts. By following the direction in this IRM section, employees can identify proper procedures for completing installment agreement actions for cases with special circumstances.

5.14.4.1.1
(05-17-2017)
Background

- (1) Installment Agreements are arrangements by which the Internal Revenue Service allows taxpayers to pay liabilities over time. Taxpayers should be encouraged to pay the liability in full to avoid the costs of an installment agreement, which include a user fee, accrual of penalties and interest, and the possible filing of a Notice of Federal Tax Lien (NFTL). If full payment cannot be achieved by the Collection Statute Expiration Date, and taxpayers have some ability to pay, Partial Payment Installment Agreements may be granted. During the course of agreements, penalties and interest continue to accrue. Generally, no levies may be served during installment agreements.

5.14.4.1.2
(05-17-2017)
Authority

- (1) IRC § 6159, *Agreements for Payment of Tax Liability in Installments*.
- (2) IRC § 6201(a)(4), *Assessment Authority*.
- (3) Treas. Reg § 301.6343
- (4) Public Law 111-237, *Firearms Excise Tax Improvement Act of 2010*.
- (5) 18 USC § 3613, *Civil Remedies for Satisfaction of an Unpaid Fine..*

5.14.4.1.3
(05-17-2017)
Responsibilities

- (1) The Director, Collection Policy is the executive responsible for the policies and procedures to be employed by collection personnel.
- (2) Field Collection Group Managers and Territory Managers are responsible for ensuring the guidance and procedures described in this IRM are complied with.

5.14.4.1.4
(05-17-2017)
Program Management and Review

- (1) Program Reports:
 - a. Monthly Installment Agreement Trend Report. Sourced from CAR, CRA generates and reviews a monthly Installment Agreement trend report that captures data on the various types of installment agreements and compares year over year data on installment agreement inventory levels, the number of installment agreements initiated, default rates, full pay rates, and dollars collected. Any anomalies are identified and researched for potential causes. Negative trends are identified and causes addressed.
- (2) Program Reviews:
 - a. CRA will conduct ad hoc Installment Agreement program reviews as necessary to verify compliance with IRM requirements, address TIGTA/ GAO findings, and get behind any trends that appear.
 - b. Case reviews are conducted by Group Managers to ensure compliance with this IRM.
 - c. Operational reviews are conducted by the Territory Manager and Area Director annually to evaluate program delivery and conformance to administrative and compliance requirements.

5.14.4.1.5
(05-17-2017)
Program Controls

- (1) Independent Administrative Review is required of all rejected installment agreement proposals, and all rejection, default and termination decisions are subject to appeal procedures.
- (2) The Integrated Collection System (ICS) ensures that taxpayer conditions meet requirements for Streamlined or In-Business Express installment agreement processing criteria, that there are no unfiled returns, and requires group manager approval for all non-streamlined installment agreements.
- (3) The Integrated Data Retrieval System (IDRS) programming requires that all open modules be included in an installment agreement for input to be successful.

5.14.4.1.6
(06-11-2018)
Terms

- (1) Frequently used terms used in this IRM along with their definition include:
 - a. Delinquent Taxes: balance due, ACS balance due accounts and/or notice status accounts;
 - b. Accrued Taxes: unassessed amounts due on returns, unmade estimated tax payments or undeposited FTDs as of the date of contact;
 - c. Current Taxes: FTDs and amounts that become due after the date of contact.

5.14.4.1.7
(05-17-2017)
Acronyms

- (1) This table lists commonly used acronyms and their definitions:

Acronym	Definition
AC	Action Code
ACS	Automated Collection System
APL	Advisory Probation Liaison
ALN	Agreement Locator Number
CAP	Collection Appeals Program
CCP	Centralized Collection Processing
CDP	Collection Due Process
CIS	Collection Information Statement
CNC	Currently Not Collectible
CSED	Collection Statute Expiration Date
CSCO	Compliance Service Collection Operation
DDIA	Direct Debit Installment Agreement
EIN	Employer Identification Number
IA	Installment Agreement
IBTF	In-Business Trust Fund
ICS	Integrated Collection System
IDRS	Integrated Data Retrieval System
LLC	Limited Liability Company
MFT	Master File Tax
NFTL	Notice of Federal Tax Lien
OIC	Offer-in-Compromise
PPIA	Partial Payment Installment Agreement
RBA	Restitution Based Assessment
RO	Revenue Officer
SSN	Social Security Number

5.14.4.1.8
(06-11-2018)

Related Resources

(1) IRM Resources:

- IRM 4.20.4, *Examination Collectibility - Installment Agreements*
- IRM 5.19.1.2.6.3, *(Installment Agreements)*
- IRM 8.20.7.37, *(Appeals)*
- 5.14.1.6, *Multi-functional Installment Agreements* contains guidance for other functions.

(2) Web Resources:

- Centralized Case Processing (CCP): <http://mysbse.web.irs.gov/collection/ccpcoll/default.aspx>
- ICS User Guide :http://icsweb.web.irs.gov/Docs/HTML/user_guide.htm
- MY SBSE web: <http://mysbse.web.irs.gov/default.aspx>

(3) The IRS adopted the Taxpayer Bill of Rights (TBOR) in June 2014. Employees are responsible for being familiar with and acting in accordance with taxpayer rights. See IRC 7803(a)(3) Execution of Duties in Accord with Taxpayer Rights. For additional information about the TBOR, see <http://irweb.irs.gov/AboutIRS/tbor/default.aspx>.

5.14.4.2
(08-05-2010)

No Financial Reviews on Most IDRS Monitored Agreements

(1) Mailing of computer paragraph CP 522, *Review Financial Condition*, has been suspended.(2) Taxpayers whose cases are monitored in Centralized Case Processing, either in status 60 or manually, may also be contacted to obtain updated financial information, but *not* by use of CP 522, *Review Financial Condition*.(3) Before entering into installment agreements, schedule changes in monthly payment amounts based on anticipated changes in taxpayers' ability to pay. (See IRM 5.14.1.4.4, *Increases, Decreases, Varied Payment Amounts; Completing and Processing Installment Agreements*).

5.14.4.3
(06-11-2018)

Installment Agreements on Below Deferral (Account Issuance) Level Taxpayers & Procedures for Uncollectable Accounts

(1) Notice status balance due accounts less than the amount specified in 5.16.1.2.5, *Tolerance*, may be input to installment agreement status for an unspecified period of time provided:

- agreements do not extend past the CSED, and
- taxpayers can make regular monthly payments.

(2) The agreements discussed in IRM 5.14.4.3 (1) may be taken if:

- a. The liability includes the total amount outstanding, including accruals and currently not collectible accounts;
- b. Equal monthly installments are required for IDRS monitoring; and
- c. there are no other balances due.

(3) Prepare Form 433-D, *Installment Agreement*, or Form 2159, *Payroll Deduction Agreement* (levy source information is not required on these agreements), process per the guidance provided in IRM 5.14.9.4, *Routine Installment Agreements*. (See also IRM 5.14.9.3, *IDRS Monitoring*).

#

installment agreement (except guaranteed installment agreements) would be to:

1. request that the taxpayer adjust Form W-4, *Employee's Withholding Allowance Certificate*, (following the procedures outlined in IRM 5.14.1.4.2(18)(a), *Compliance and Installment Agreements*, so the positive amount shown as being available for payments is instead used to increase current withholding; then
2. follow the instructions in IRM 5.16.1, *Currently Not Collectible*.

- (5) Reporting Accounts Uncollectible: If, based on analysis of Collection Information Statements taxpayers are unable to make payments, consider reporting accounts uncollectible — see IRM 5.16.1, *Currently not Collectible*. Provide taxpayers with the address at the Campus where the taxpayer files returns (for mailing voluntary payments). Taxpayers who are unable to make payments generally should not be granted installment agreements.
- (6) If taxpayers are able to make payments, but unable to *fully* pay all balance due accounts, then Partial Payment Installment Agreements may be considered (see IRM 5.14.2.1.1, *Partial Payment Installment Agreement Requirements*).

5.14.4.4 (03-04-2011) Installment Agreements and Multiple Entities

- (1) Related entities can be included in one installment agreement. The agreement locator number will auto-populate on ICS to XX63, if there are no other conditions. The ALN ensures proper systemic monitoring of these agreements. For this type of IA, ensure the taxpayer entities are in filing and payment compliance IRM 5.14.1.4, *Installment Agreement Acceptance and Rejection Determinations*, prior to requesting the pending IA indicator (IRM 5.14.1.3(5), *Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS*). When the pending IA indicator is present (TC 971 AC 043) on the entity and one of the taxpayers is not in compliance at the time the IA is ready to be granted, a recommendation for rejection can be given to the independent administrative reviewer regarding only the person or entity that is not in compliance, and the taxpayer that is in compliance may be granted an installment agreement (if appropriate). The following types of taxes may be combined in one installment agreement:
 - a. Taxes for two or more Form 1120S, *U.S. Income Tax Return for an S Corporations*, if they share the same sole officer.
 - b. A sole proprietorship's taxes (on the sole prop.'s tax ID number) and the individual income taxes of the sole owner of the sole proprietorship.
 - c. Taxes for married couples, even if the taxes are owed individually.
- (2) When a request for an IA involves an SSN and EIN (Sole Proprietor) or two SSN's, some years filed joint and some single, combine the aggregate unpaid balance of assessment (CC SUMRY) of all modules. Determine if the taxpayer meets the requirements to qualify for an IA. An IMF account and related BMF account must be included in one IA.
- (3) Select the correct IA type based on the combined aggregate unpaid balance of assessments (SUMRY) of all the modules on the related entities. The correct IA type is based on the dollar threshold and type of tax governed by the IA type (Streamlined, IBTF-Express, IBTF-IA).
- (4) For installment agreements on multiple entities:
 - a. Ensure the cross referenced identification number is entered when completing the IA on ICS by answering "Yes" to the question "Are there other TINs to be included with this installment agreement" to ensure proper input. Campuses will input agreements on the entity with the earliest CSED first.

Note: **ONLY** make this election when the cross-referenced TIN has an unresolved Bal Due on IDRS.

- b. Both agreements will cross- reference the related EIN or SSN using ALN (XX63). ALN (XX63) will be systemically included on the IA form by ICS (This ensures the accounts appear on the Installment Agreement Account Listings in the correct category.)
- c. The primary taxpayer identification number (TIN) will dictate the Campus to which the agreement will be routed for input. Primary SB/SE TINs will be routed to SB/SE Campuses. Primary W&I TINs will be routed to W&I Campuses for monitoring.
- d. The Campus that inputs the agreement will ensure that ALN XX63 is input on both agreements and the secondary TINs tax modules are input to IDRS status 63 and monitored at the same Campus.
- e. Since the secondary agreement is monitored wherever the primary agreement is set up, this will sometimes result in SB/SE Campuses monitoring W&I cases and W&I Campuses monitoring SB/SE cases.

Caution: If an IMF account is included with an in-business BMF account, it must be input in accordance with the procedures provided in IRM 5.14.7, *BMF Installment Agreements*, regardless of which TIN has the earliest CSSED. The primary TIN for these agreements is the business entity.

Note: See IRM 5.19.51.5.4 for Campus processes.

- (5) These types of I/As , with an ALN of "xx63" cannot be systemically uploaded. ICS will block the input. Process this type of agreement by e-mailing the Form 433-D, *Installment Agreement* , to the appropriate CCP mailbox (see below) or mail it on a Form 3210, *Document Transmittal*, to CCP at Mail Stop 5-E04.114.
 - Area Offices 21, 22, 23, 24, and 35 use *SBSE CCS GCP EAST1
 - Area Office 25 use *SBSE CCS GCP WEST2
 - Area Offices 26, 27 use *SBSE CCS GCP WEST1

- (6) For certain liabilities assessed in the name and EIN of an LLC, different single member owners (SMOs) may be liable for separate tax periods assessed in the same name and EIN. See IRM 5.1.21, *Collecting from Limited Liability Companies*. If multiple SMOs are liable for different tax periods assessed in the same name and EIN separate installment agreements would be required for each taxpayer and should be established using the Manually Monitored procedures in IRM 5.14.9.5, *Manually Monitored Installment Agreements (MMIA)*.

Reminder: When the SMO is liable for some tax periods and the LLC is liable for different tax periods assessed in the LLC's name and EIN, follow the procedures in IRM 5.14.7, *BMF Installment Agreements* , for a combined SMO/LLC installment agreement.

- (7) Ensure a TC130 is input for the appropriate Social Security Number(s).

5.14.4.5
(03-04-2011)
**Joint and Several
Liability Relief Under
IRC Section 6015 and
Installment Agreement
Requests**

- (1) In situations in which one joint taxpayer has requested relief from joint and several liability under IRC 6015, if the *non-requesting* spouse requests an installment agreement, and there is an unreversed TC 971 AC 065 on any balance due module or a MFT 31 has been established, then:

- a. Follow normal procedures to determine if the taxpayer qualifies for an installment agreement and include all modules (even the modules with the unreversed TC 971 AC 065) in calculating if the proposed payment amount would full pay the liability before the Collection Statute Expiration Date (CSED). See IRM 5.14.1.4, *Installment Agreement Acceptance and Rejection Determinations*.
 - b. If the taxpayer qualifies for an installment agreement, make sure all balance due accounts are included, *including* those with TC 971 AC 065, and establish the installment agreement using Manually Monitored procedures in IRM 5.14.9.5, *Manually Monitored Installment Agreements (MMIA)*.
- (2) If the spouse filing a claim requests an installment agreement and there is an unreversed TC 971 AC 065 on any balance due module, then:
 - a. Follow normal procedures to determine if the taxpayer qualifies for an installment agreement and include all modules (even the modules with the unreversed TC 971 AC 065) in calculating if the agreement would fully pay the liability before the CSED.
 - b. If the taxpayer qualifies for an installment agreement, include all modules *except those with an unreversed TC 971 AC 065* in the agreement itself.

Note: Use of the PPIA procedures provided in IRM 5.14.2.1.1, *Partial Payment Installment Agreement Requirements*, is also an option if the taxpayer is unable to fully pay all balance due accounts through an installment agreement.

 - c. Establish the agreement using Manually Monitored procedures in IRM 5.14.9.5, *Manually Monitored Installment Agreements (MMIA)*.
 - d. If after such agreements are in effect claims filed under section 6015 are denied and the *requesting* spouse requests addition of the balance due account(s) to installment agreements, request this on Form 4844, *Request for Terminal Action*.
 - e. Note on Form 4844, *Request for Terminal Action*, that the agreement for the case may now be monitored by IDRS if no other conditions exist that are mentioned in IRM 5.14.9.3(3), *IDRS Monitoring*.
- (3) To input pending installment agreement codes (TC 971 AC 043) or installment agreement codes (TC 971 AC 063), when an unreversed TC 971 AC 065 already exists on a tax module:
 - a. reverse the TC 971 AC 065 using TC 972 AC 065;
 - b. input TC 971 AC 043 or AC 063; and
 - c. re-input TC 971 AC 065 (after the pending or installment agreement code is on the tax module)

5.14.4.6
(05-17-2017)
**Withdrawal of
Installment Agreement
Requests**

- (1) Taxpayers may withdraw installment agreement requests either verbally or in writing.
- (2) Requests to withdraw an installment agreement request are only applicable to pending installment agreements, and typically requested when another case closing action is determined to be the appropriate case resolution (Full payment, OIC, CNC, etc.)

- (3) In the case of a joint assessment, if the withdrawal is only requested by one spouse, the revenue officer should determine the intent of the other spouse if other than a full pay resolution. If the other spouse wishes to continue with the IA request, the accounts should be mirrored so that separate collectibility determinations can be made.
- (4) Exhibit 5.14.4-1 provides the format for withdrawal of installment agreement requests. This format must be used regardless of whether requests for withdrawal are verbal or written.
- (5) Verbal requests are effective five (5) calendar days from the day they are received unless a written confirmation of a verbal request is received within the five (5) day period. Taxpayers should be advised that by withdrawing their installment agreement request, appeal rights with respect to that pending installment agreement are extinguished, however, taxpayers can propose a new installment agreement at any time.
- (6) Include the reason for the withdrawal request in the appropriate part of the form.
- (7) If, after a verbal request for withdrawal, written confirmation is *not* received, document the case file as to how the request for withdrawal occurred.
- (8) Requests for Installment agreements (pending IAs) are considered withdrawn (i.e., withdrawals are effective):
 - a. upon receipt of written requests for withdrawal, or
 - b. five (5) calendar days after a verbal request for withdrawal.
- (9) Withdrawals should not be solicited by contact employees, but questions may be asked to clarify misunderstanding of taxpayers' statements.
- (10) Request input of TC 972 AC 043 (if a TC 971 AC 043 was previously input) on the effective date of the withdrawal. If the case has already been input into installment agreement status, then:
 - request input of TC 971 AC 163 instead, and
 - ensure accounts are removed from status 60 and the appropriate collection status is input.

Note: No independent review or appeal rights are required in this situation.

- (11) If the installment agreement request was a joint request on a jointly filed return, both taxpayers must sign one request or separate requests for withdrawal for the request to be honored.

Note: If one or both of the requests is verbal, see IRM 5.14.4.6(8)(b), *Withdrawal of Installment Agreement Requests*, regarding the effective date.

- (12) No independent review is required in the case of withdrawals. (See IRM 5.14.9.7(17), *Independent Administrative Review after Recommended Rejection of Installment Agreement Requests*).

- 5.14.4.7
(05-17-2017)
Establishing Installment Agreements on Restitution-Based Assessments (RBA) and Related Civil Assessments - Overview
- (1) For background information on RBAs see IRM 5.1.5.15.3, *Restitution Based Assessments*.
 - (2) Revenue Officers (RO) may receive an Other Investigation (OI) from an Advisory Probation Liaison (APL) or a balance due module assignment to conduct a field investigation on a RBA.
 - (3) Civil assessments with associated RBAs may be received in any Collection work stream (Field, Campus, Automated Collection System) but may only be worked by revenue officers.
 - (4) IAs for RBAs can only be considered if the proposed IA will result in the full payment of the RBA within the terms of the IA and by the Collection Statute Expiration Date (CSED). Any open civil assessment should be included in the IA, even if the payment agreement won't result in full payment of those civil assessments. CCP will determine if the IA is a Partial Payment Installment Agreement (PIIA) once the RBAs are paid in full.
 - (5) IAs that include RBAs should only be established by ROs. If there is an open Conditions of Probation case, the RO should coordinate the establishment of the IA with the APL.
 - (6) In the event the taxpayer's ability to pay will not result in the full payment of the RBA, Manually Monitored Installment Agreements (MMIAs) for civil assessments (including PPIAs) can be established exclusive of RBA assessments (that is, the RBA is not included as part of the IA) in cases where the taxpayer's income/expense analysis shows an ability to pay above the allowable expenses (which will include the court ordered restitution payment). The RBA modules should be reported as Currently Not Collectible using closing code 32.
- 5.14.4.7.1
(05-17-2017)
Establishing Installment Agreements on Restitution-Based Assessments (RBA) and Related Civil Assessments - Procedures
- (1) Assessment - RBA assessments will appear as a MFT 31 with a Transaction Code (TC) 290 and/or a TC 298. The module will contain a TC 971 with an Action Code (AC) 102 and a TC 971 with AC 180 - 189. Examination will issue Letter 4885, *Notice and Demand*.
 - (2) Assignment - RBA modules will generally not be issued systemically to the Field. Examination will notify Advisory when an assessment has been made. As part of monitoring Conditions of Probation (COP) cases, APLs will issue an Other Investigation (OI) to the Field Area to request a field investigation when there are assessed liabilities including RBAs. When the Field Area group receives an OI for an RBA, the group will accelerate the case, including the related modules, to status 26 by requesting STAUP 2200. Once assigned, the Field will Close the Advisory OI and work the balance due module(s) and related modules, if any.
 - (3) Pending IA status - IA proposals for RBAs that do not provide for the full payment of the RBAs by the CSED cannot be considered as a pending IA for the RBA modules. If there are associated civil assessments for which the IA proposal can be considered, exclusive of the RBA, those modules should have a TC 971 AC 043 input if pending IA requirements are met and the IA proposal cannot be approved immediately.
 - (4) Computing Payment Amount - Standard financial analysis will be conducted to determine the appropriate monthly payment amount. Taxpayers will continue to

make any court ordered restitution payments directly to the courts, and compliance with the court ordered payments will be listed as an additional condition of the IA. This payment will be considered an allowable expense when determining the taxpayers ability to make monthly payments.

- (5) Rejection Issues - The ICS history should clearly indicate the basis for the rejection and clearly identify cases that are rejected based on the fact that the proposed payment as determined by financial analysis will not satisfy the RBA by the CSED. Rejection of an IA that includes a RBA requires concurrence from the Independent Administrative Reviewer.
- (6) If accepted, IAs that include RBAs require managerial approval and will be sent to CCP as a MMIA.
- (7) Posting of Payments - Payments on IAs that include both RBAs and civil assessments should be posted to the RBAs until fully paid and then in the best interest of the government for the civil assessments. Payments on MMIA's that exclude RBAs will be posted to the civil assessments in the best interest of the government.

5.14.4.7.1.1
(05-17-2017)
Establishing Installment Agreements on Restitution-Based Assessments (RBA) and Related Civil Assessments - Coordination with Advisory

- (1) The APL will be familiar with the court order and COP. The APL will be able to advise the RO regarding appropriate actions to take and will facilitate coordination with the DOJ Financial Litigation Units when necessary. RBA cases will not be worked by Campus Collection operations. APLs receiving contacts from Field or Campus Collection employees about RBA modules or related assessments should issue an OI to the appropriate Field Area group for investigation if not already assigned.

5.14.4.7.1.1.1
(05-17-2017)
Establishing Installment Agreements on Restitution-Based Assessments (RBA) and Related Civil Assessments - Payments

- (1) Payments received by Field Collection employees will be posted using established designated payment codes (DPC). Payments received as a result of administrative collection action may be applied in the government's best interest. Court ordered restitution payments made to the clerk of court will continue to be sent by the court to Kansas City Submission Processing where they will be posted using DPC 26. SB/SE Campus Compliance Services will cross reference any balance due payments to ensure the full amount of the restitution is only collected once and is not overpaid.

5.14.4.8
(06-11-2018)
Establishing installment agreements which include an MFT 74 and/or MFT 76 module

- (1) This section relates to actions required when establishing installment agreements which include an MFT 74 and/or MFT 76 module.
- (2) MFT 74 identifies the tax module in which an adjustment for Form 5500, Annual Return/Report of Employee Benefit Plan, is to post. Form 5550 concerns compliance with qualification provisions. For Form 5500 penalties (e.g., late filing), see IRM 20.1.8.3 (04-17-2009) *Employee Plans (EP)*.
- (3) MFT 76 identifies the tax module in which an adjustment for Form 5330, Return of Excise Taxes Related to Employee Benefit Plans, is to post. Form 5330 is used to report and pay the excise tax related to employee benefit plans under several IRC provisions. The largest assessments usually relate to inadequate funding of employee pension plans. A tax of 10% [4971(a)] of the underfunded amount may apply each year. A tax of 100% [4971(b)] can be

imposed in certain cases. The tax may be self-reported on Form 5330, or identified by IRS in an Examination proceeding.

- (4) Currently, due to programming limitations, the systemic input of certain transaction codes to a MFT 74/76 module is not possible due to the 3 digit plan identifier associated with these assessments. Automated systems do not recognize the identifier number. Notices requesting payment are sent when the tax is assessed and every time interest is updated, but the cases do not move beyond status 21. Sometimes no status is reflected on IDRS, just the assessment.
- (5) Research of these modules requires a specific format which include:

Command Code	Format	Notes
BMFOLT	BMFOLTxx-xxxxxxx 74201212001	
TXMOD	TXMODAxx-xxxxxxx ____74 001 201212	
MFREQ	MFREQCxx-xxxxxxx ____76 201210 NAME 001	(if TXMOD is needed for CFOL only period)
INOLEP	INOLEPxx-xxxxxxx	Lists the employee benefit plans and their 3 digit identifiers

Note: Bal Due Modules cannot be created on ICS for these assessments .

- (6) IAs which include MFT 74 or 76 cannot be systemically established on IDRS; they must be processed following MMIA procedures. See IRM 5.14.9, *Routine and Manually Monitored Installment Agreements, Independent Review and Appeals*. Clearly identify the IA as "MMIA - MFT 74/76" in red on the top of the IA.
- (7) If the entity has other assessments (i.e. MFT 01, 02, 10, etc.) and those modules will not be fully satisfied (taxpayer placed in a Partial Payment IA), do not create a separate IA for CCP manual monitoring. If the taxpayer has a systemically monitored IA that will result in full payment of the other assessments, create a separate IA for manual monitoring in CCP. Clearly document the 433D and the ICS history that both a systemic and manually monitored IA exist and that payments will post to the non-MFT 74/76 assessments until full payment is received.
- (8) Request input of a TC 971, AC 063 on each MFT 74/76 module at the time the manually monitored IA is forwarded to CCP.
- (9) If a Notice of Federal Tax Lien is required, follow the instructions outlined in the NFTL section of this Interim Guidance, which will be updated in 5.12.7.7.6.

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Withdrawals and Installment Agreements with Special Circumstances 5.14.4

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Exhibit 5.14.4-1 (09-26-2008)

Withdrawal of Request for Installment Agreement

TO: Commissioner of Internal Revenue Service

ATTENTION: Area Director

SUBJECT: Withdrawal of Request For Installment Agreement (Reference: IRM 5.14.4.5)

1. I (We) hereby voluntarily withdraw the Installment Agreement Proposal previously made.
2. I (We) understand this withdrawal request is effective the date it is signed.
3. Verbal withdrawals are effective five (5) calendar days after requested, unless this written request is received in the intervening days, in which case the request is effective on the date it is signed.
4. If two parties requested an agreement, both must withdraw the request.

Reason for withdrawal request: _____

Date of verbal withdrawal request (if applicable): _____

Date of Installment Agreement Request (required): _____

Amount of Monthly Payment Requested (required): _____

Taxpayer's Signature (and date): _____
(not required for verbal requests – see # 3 above)

Printed Taxpayer Name: _____
(mark with "x" if phone withdrawal: _____)

Taxpayer Identification Number: _____

Second Party Information (if applicable)

Date of verbal withdrawal request (if applicable): _____

Date of Installment Agreement Request (required): _____

Amount of Monthly Payment Requested (required): _____

Taxpayer's Signature (and date): _____
(not required for verbal requests – see # 3 above)

Printed Taxpayer Name: _____
(mark with "x" if phone withdrawal: _____)

Taxpayer Identification Number: _____

Receiving IRS Employee signature: _____
(must be signed or invalid)

