



# E-Withhold Update

Stakeholder's Meeting

*June 3, 2010*

# Agenda



- Welcome
- Overview – Background and Status
- E-Withhold Process
- FIDM format (Method 2) Options & Considerations
- Questions & Discussion
- Next Steps

# Background and Current Status



## Background

- Legislation passed in 2009
- Developed E-Withhold process based on stakeholder input

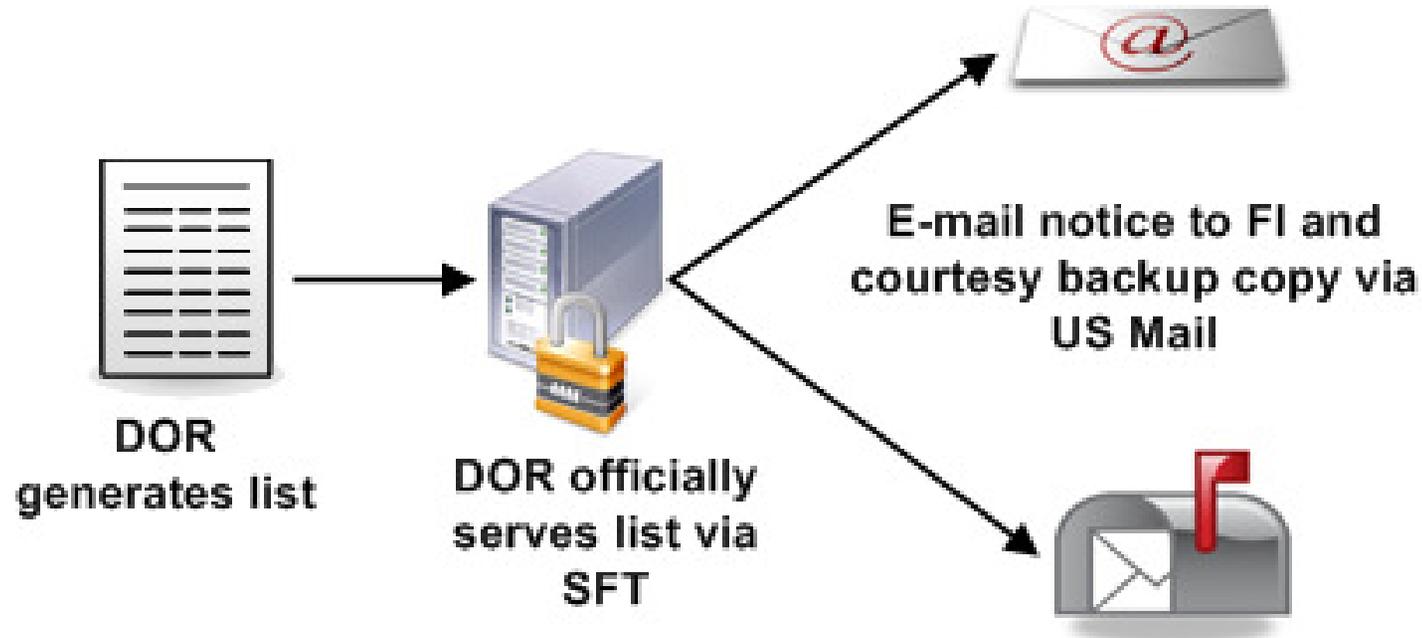
## Current Status

- E-Withhold implemented in April 2010
  - Phased-in & staggered approach
  - Outreach via WebEx
  - Mitigation
  - FIDM Method 1 status

## The Process

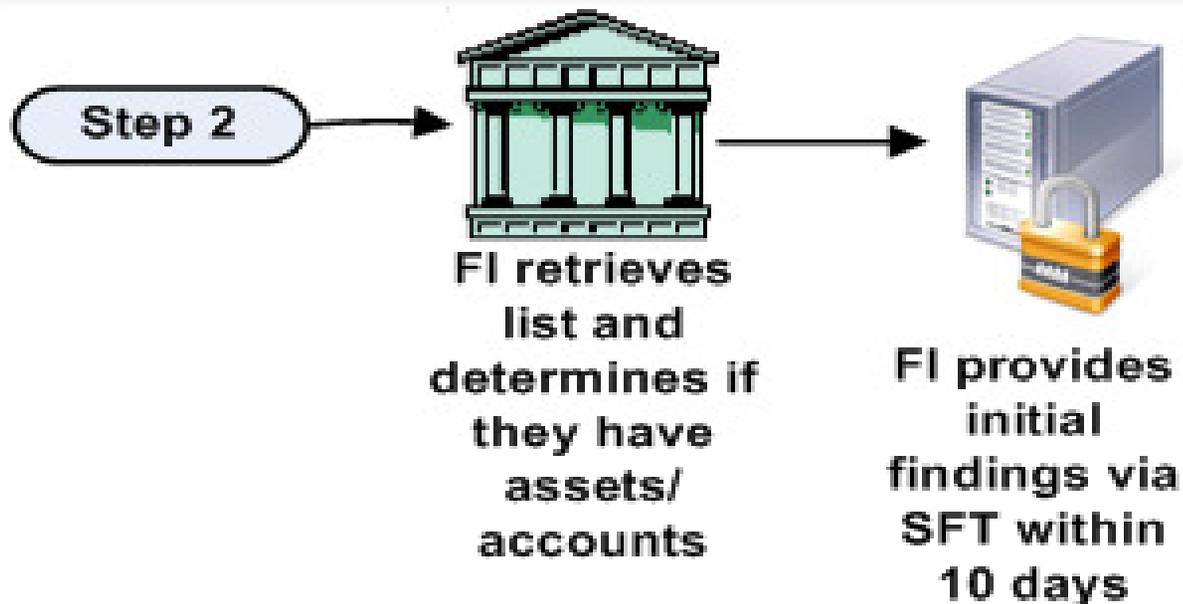
- Serve levy on unresolved tax liens
- Legal service in the form of a electronic list
- Information mandated
- Multi-step process:
  - Levy list delivered via SFT server
  - Financial institution locates assets; notifies DOR
  - DOR validates and returns a revised levy list
  - Financial institution freezes assets and remits payment to DOR

# E-Withhold Process (Step 1)



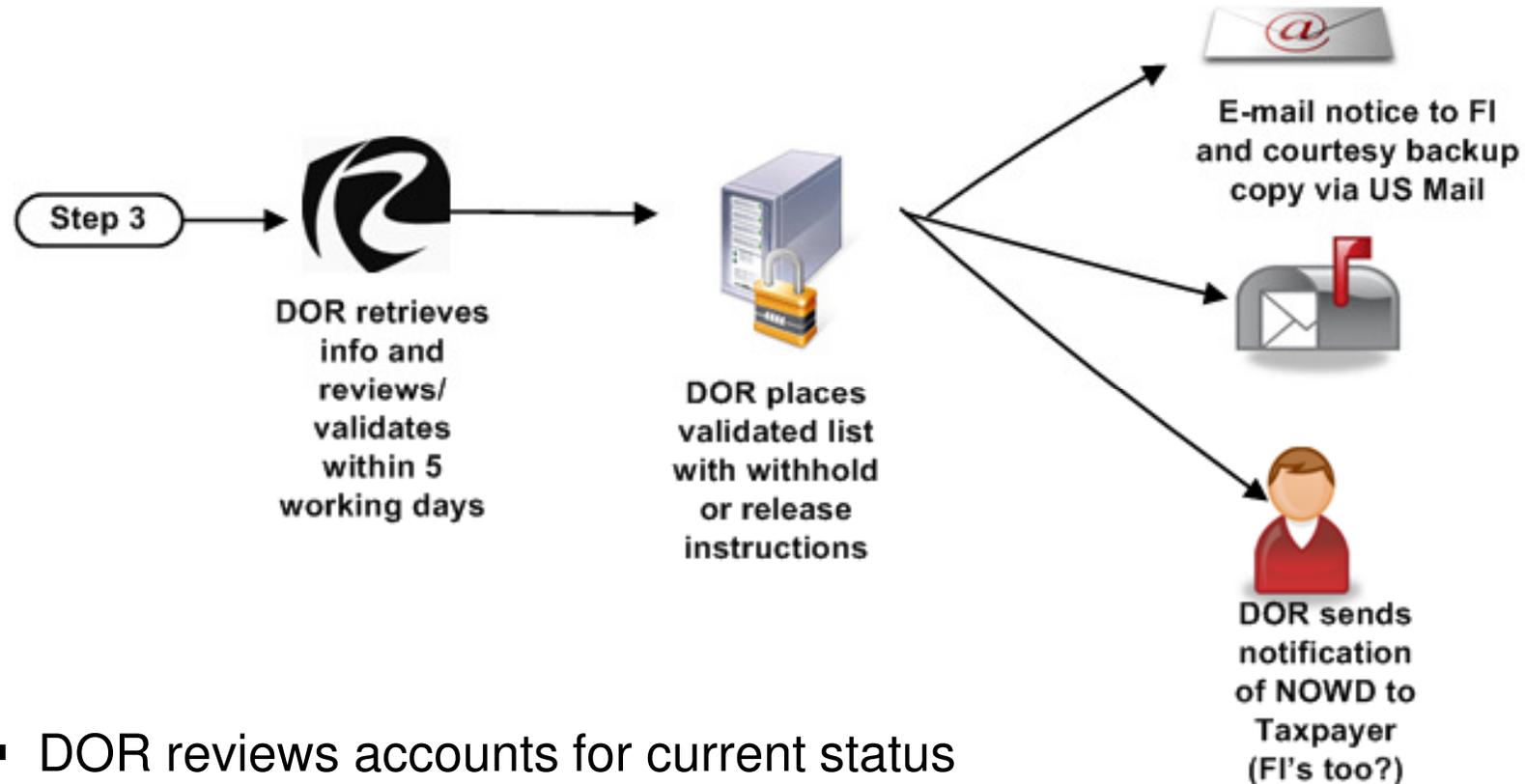
- Serve levy on unresolved tax liens in the form of a list
- Legal information required for legal service of a withhold

# E-Withhold Process (Step 2)



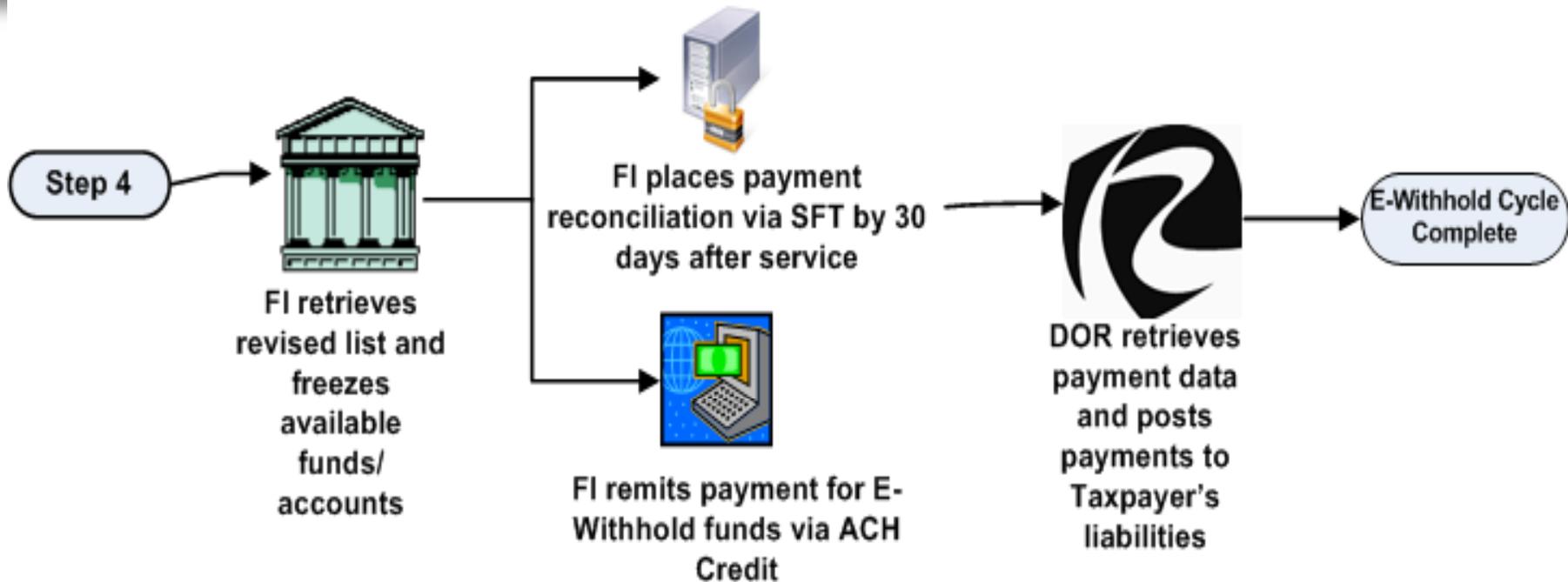
- Financial institution to locate accounts by SSN and FEIN
- Initial response provides DOR with account types
- No customer account numbers or balances are provided to DOR in step 2

# E-Withhold Process (Step 3)



- DOR reviews accounts for current status
- Revised levy list placed on SFT server
- Business is notified of levy

# E-Withhold Process (Step 4)



- Financial institutions withhold any available funds upon receipt of instructions from DOR
- Funds due by 30<sup>th</sup> day after original service (placement of original list in SFT Service folder)
- Payment transferred via ACH Credit

# Process Differences



FIDM (DSHS)	E-Withhold (DOR)
SSN and Individual Names <u>Only</u>	SSN and Individual Names FEIN and Business Names
<p>Match list created and sent to Financial Institution for child support program. Several methods of delivery – Disc, mail</p> <p>Matched on:</p> <ul style="list-style-type: none"> <li>• Social Security Number</li> <li>• Name of Individuals</li> </ul>	<p>Levy list of unresolved tax warrants created. List delivered electronically via SFT server.</p> <p>List includes: Legal information required for levy service.</p> <ul style="list-style-type: none"> <li>• Taxpayer Name</li> <li>• Business Name</li> <li>• County Where Filed</li> <li>• Warrant Number</li> <li>• Invoice Number</li> <li>• Cause Number</li> <li>• Date of Judgment</li> <li>• Amount Due</li> <li>• Taxpayer Account Registration Number</li> <li>• Social Security Number</li> <li>• FEIN</li> </ul>
Financial Institution determines if there are matches	Financial Institution determines if there are assets/accounts to continue levy process

# Process Differences Continued



FIDM (DSHS)	E-Withhold (DOR)
Financial Institution returns file to DSHS. FIDM matching process complete	Financial Institution returns file (list) electronically to SFT server.
DSHS: <ul style="list-style-type: none"> <li>• <i>Reviews information</i></li> <li>• <i>Creates <b><u>manual withhold</u></b></i></li> </ul>	DOR: <ul style="list-style-type: none"> <li>• <i>Reviews/validates list</i></li> <li>• <i>Select account(s) for withhold</i></li> </ul>
	DOR places validated list on SFT server with instructions. File includes auto release of levy.
	Financial Institution freezes assets/accounts.
	Financial Institution uploads reconciliation file to SFT server and remits funds to DOR via ACH Credit.
	E-Withhold process complete

# FIDM Format Options & Considerations



- Use SSN field for SSN and FEIN
- Use Last Name field for Last Name and Business Name
- Use of First Name field for continuation of Business Name
- File size (number of records) will likely be larger due to multiple separate records for each SSN and/or FEIN associated with a specific business
- Two files required for initial inquiry (legal service)
  - Inquiry file with legal service data
  - FIDM file for locating assets/accounts

# Considerations Continued



- Financial institutions to freeze accounts and remit funds to DOR
  - Retrieve revised levy list from SFT Server
    - possible multiple levy records versus a single levy record
  - Remit funds via ACH credit
  - Provide payment reconciliation file electronically (SFT)
  
- DOR cannot receive the following data fields
  - Payee's account number
  - Account holders address information
  - Birth date
  - Trust Fund indicator (real estate information)
  
- Locate accounts/assets in Washington only

# Questions and Closing Remarks



Questions & Discussion

Next Steps

Pilot of FIDM method 2 planned for mid-June  
Looking for volunteers