

Announcement 99-6

The IRS Will Permit Electronic Submission of Forms W-4P, W-4S, and W-4V

The Internal Revenue Service will allow payers to establish a system to electronically receive Forms W-4P, Withholding Certificate for Pension or Annuity Payments, W-4S, Request for Federal Income Tax Withholding From Sick Pay, and W-4V, Voluntary Withholding Request. In general, the electronic system must meet the requirements described in paragraphs (1) through (6) below. In the next revision of Publication 15-A, Employer's Supplemental Tax Guide, the IRS will reflect the provisions of this announcement.

For purposes of this announcement, "payer" refers to a person authorized to withhold income taxes under section 3402 of the Internal Revenue Code and file an information return with respect to such withholdings. "Payee" refers to the person who receives income from a payer.

Forms W-4P, W-4S, and W-4V

The Internal Revenue Service will allow payers of pensions or annuities, sick pay, unemployment compensation, social security benefits, including social security equivalent tier 1 railroad retirement benefits, Commodity Credit Corporation loans, and certain crop disaster payments, to establish a system for payees to electronically submit Forms W-4P, W-4S, and W-4V. In general, the electronic system must meet the requirements described in paragraphs (1) – (6) below.

Requirements

(1) *In general.* The electronic system must ensure that the information received by the payer is the information sent by the payee. The system must document all occasions of user access that result in a submission. In addition, the design and operation of the electronic system, including access procedures, must make it reasonably certain that the person accessing the system and submitting the Form W-4P, W-4S, or W-4V is the person identified on the form.

(2) *Same information as on paper Forms W-4P, W-4S, or W-4V.* The electronic submission must provide the payer with exactly the same information as the paper Forms W-4P, W-4S, or W-4V.

(3) *Signature requirement.* The electronic submission must be signed with an electronic signature by the payee whose name is on the Form W-4P, W-4S, or W-4V. The electronic signature must identify the payee submitting the electronic form and must authenticate the submission. For this purpose, the term "authenticate" has the same meaning as it does when applied to a written signature on a paper Form W-4P, W-4S, or W-4V. An electronic signature can be in any form that satisfies the foregoing requirements. The electronic signature must be the final entry in the submission.

(4) *Copies of electronic Forms W-4P, W-4S, or W-4V.* Upon request by the Internal Revenue Service, the payer must supply a hard copy of the electronic Form W-4P, W-4S, or W-4V and a statement that, to the best of the payer's knowledge, the electronic Form W-4P, W-4S, or W-4V was submitted by the named payee. The hard copy of the electronic Form W-4P, W-4S, or W-4V must provide exactly the same information as, but need not be a facsimile of, the respective paper form.

(5) *Recordkeeping.* Payers who choose to establish a system to receive electronic Forms W-4P, W-4S, or W-4V must comply with the applicable recordkeeping requirements. See Rev. Proc. 98-25, 1998-11 I.R.B. 7.

(6) *Effective date.* This announcement applies to Forms W-4P, W-4S, and W-4V submitted electronically by payees on or after January 25, 1999.

For further information regarding this announcement, contact Jean Casey of the Office of the Associate Chief Counsel (Employee Benefits and Exempt Organizations) at (202)622-6060 (not a toll-free call).
