



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

5.19.18

SEPTEMBER 5, 2025

EFFECTIVE DATE

(09-05-2025)

PURPOSE

- (1) This transmits a revision to IRM 5.19.18, Liability Collection, Federal Employee/Retiree Delinquency Initiative (FERDI).

MATERIAL CHANGES

- (1) IRM 5.19.18 - Updated to include language consistent with Executive Orders issued in 2025.
- (2) Editorial changes throughout.

EFFECT ON OTHER DOCUMENTS

IRM 5.19.18 published December 20, 2024, is superseded.

AUDIENCE

Taxpayer Services (TS) and Small Business/Self-Employed (SB/SE) employees in Compliance and Accounts Management (AM).

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5.19.18

Federal Employee/Retiree Delinquency Initiative (FERDI)

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5.19.18.1
(09-05-2025)

Program Scope and Objectives

- (1) **Purpose:** This IRM contains guidance for working Federal Employee/Retiree Delinquency Initiative (FERDI) balance due and return delinquency accounts.
- (2) **Audience:** Automated Collection System (ACS) and Automated Collection System Support (ACSS) Collection Representatives and Tax Examiners handling FERDI accounts are the primary users of this IRM.
- (3) **Policy Owner:** Director, Collection Inventory, Delivery & Selection (CIDS), Small Business/Self-Employed Division (SBSE).
- (4) **Program Owner:** Automated Programs (an organization within CIDS).
- (5) **Primary Stakeholders:** SBSE Campus Collection.
- (6) **Program Goals:** The goal of the FERDI program is to reduce Federal employee and retiree tax delinquency through collection policy and procedures contained in this IRM.

5.19.18.1.1
(09-25-2017)

Background

- (1) The FERDI program was developed in 1993 to promote federal tax compliance among current and retired federal employees. The program incorporates the purpose and intent of Office of Government Ethics regulation 5 CFR Part 2635.809 which addresses the responsibility of federal employees to “satisfy in good faith their obligations as citizens, including all just financial obligations, especially those such as federal, state or local taxes that are imposed by law”.

5.19.18.1.2
(09-25-2017)

Authority

- (1) 5 CFR Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch.
- (2) IRM 1.2.1.6, Policy Statements for Collecting Process Activities, related to this section include:
 - Policy Statement 5-1, Enforcement is a necessary component of a voluntary assessment
 - Policy Statement 5-2 - Collecting Principles
 - Policy Statement 5-71, Reporting accounts receivable as currently not collectible
 - Policy Statement 5-133, Delinquent returns - enforcement of filing requirements

5.19.18.1.3
(09-25-2017)

Roles and Responsibilities

- (1) The Director, Collection Inventory Delivery & Selection is responsible for overall FERDI policy, procedures and delivery.
- (2) Automated Programs analysts are responsible for development of FERDI policy and procedures.
- (3) Campus employees who handle FERDI accounts are responsible for following the procedures in this IRM.

5.19.18.1.4
(09-25-2017)

**Program Management
and Review**

- (1) The following Collection Activity Reports (CAR) containing FERDI data are available to assist with program management:
 - NO-5000-241/242, Type Assessment Monthly and Cumulative Reports
 - NO-5000-3/4 Taxpayer Delinquency Investigation Reports
 - NO 5000-5 /6, Installment Agreement Monthly and Cumulative Reports
 - NO-5000-8B, IMF FERDI Collection Yield Report
- (2) Operational and program reviews are conducted to ensure that cases actions are in accordance with the procedures in this IRM.

5.19.18.1.5
(09-25-2017)

Program Controls

- (1) FERDI taxpayer accounts are identified by a “federal” indicator on IRS systems. See IRM 5.19.18.2 for additional information.

5.19.18.1.6
(09-25-2017)

**Terms/Definitions/
Acronyms**

- (1) FERDI includes taxpayers currently receiving a salary or annuity pension from the Federal government. Taxpayers receiving survivors’ annuities are excluded.
- (2) Federal employees or retirees are defined as:
 - Civilian employees, including U.S. Postal Service
 - Civil Service Retirement System (CSRS) or Federal Employee Retirement System (FERS) retirees
 - Active duty military
 - Military retirees
 - National Guard/Reservists
- (3) The most commonly used acronyms used in this IRM are shown below.

Acronym	Definition
ACA	Affordable Care Act
DFAS	Defense Finance and Accounting Service
DMDC	Defense Manpower Data Center
FERDI	Federal Employee/Retiree Delinquency Initiative
FPLP	Federal Payment Levy Program
HINF	High Income Non-Filer
IPSU	Identity Protection Specialized Unit
LG\$	Large Dollar Case
OAR	Operations Assistance Request
OPM	U.S. Office of Personnel Management
SRP	Shared Responsibility Payment
TAS	Taxpayer Advocate Service
TSP	Thrift Savings Plan
USPS	U.S. Postal Service

- (4) Additional acronyms can be found in IRM 5.19.1-1, Acronyms, Explanations and Command Codes for IRM 5.19.1.

5.19.18.1.7
(11-09-2023)
Related Resources

- (1) Employees will refer to related sections of IRM 5.19, Liability Collection, as directed in this IRM.
- (2) Employees will refer to related sections of IRM 25.1.11, Campus Collection Fraud Procedures and IRM 25.1.11-1, Fraud Indicator Check Sheet, as directed in this IRM.
- (3) Additional helpful information can be found on the *Servicewide Electronic Research Program (SERP)* website.

5.19.18.2
(12-20-2024)
Identifying FERDI Cases

- (1) FERDI taxpayers are identified by matching the primary Social Security Number (SSN) and secondary SSN (if joint liability) of Individual Master File (IMF) balance due and/or return delinquency accounts against:
- U.S. Office of Personnel Management (OPM) Central Personnel Data File (CPDF)
 - Department of Defense military and civilian personnel records maintained by Defense Manpower Data Center (DMDC)
 - U.S. Postal Service (USPS) employment file
 - Selected internal Form W-2 records
- (2) Systemic Master File processing of the matched records generates a transaction code (TC) 016 with Document Locator Number (DLN) 38263-996-00100-y, (where “y” is the last year digit of the year the DLN was assigned). This transaction will cause a FERDI indicator to be set on the IMF. The FERDI indicator may also be manually set by input of TC 971 AC 51.

Note: The FERDI indicator is an entity indicator. On joint accounts, the FERDI indicator posts to the primary SSN, regardless of whether the primary, the secondary, or both taxpayers are federal employees or retirees.

- (3) Our computer systems identify accounts with FERDI indicators with the following codes:
- Integrated Data Retrieval System (IDRS) Command Code (CC) ENMOD screen: “FED-EMP>F”
 - Corporate Files On Line (CFOL) CC IMFOLE screen: FED EMPLOY/ RETIREE
 - Integrated Collection System (ICS) entity screen: “FED”
 - IDRS CC TDINQ: SELECTION CODE “12”

Note: DRS CC LEVYS Code:

IDRS CC LEVYS Code:	IDRS CC LEVYS Definition
“FR”	Federal retiree
“FE”	Federal employee
“DM”	Current military/reserve/national guard

IDRS CC LEVYS Code:	IDRS CC LEVYS Definition
"PS"	United States Postal Service (USPS)

- Accounts Management System (AMS) Account Summary screen: "Federal Employee" in "Alerts" section
- Automated Collection System (ACS) Case Overview screen: "FE" and status message "139 FERDI ACCOUNT"

Note: ACS Levy Screens Code:

ACS Levy Screens Code:	ACS Levy Screens Definition
"FR"	Federal retiree
"FE"	Federal employee
"USPS"	United States Postal Service (USPS)
"DMDC"	Department of Defense civilian and military

- ACS Taxpayer Delinquency Investigation (TDI) screen: SELECTION CODE "12"
- CFOL CC IRPTR and CC SUPOL: Federal agency name (payer)

Note: CC SUPOL also indicates SELECTION CODE "12."

- TDI: SELECTION CODE "12"
- W-2, Wage and Tax Statement, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.: Federal agency payer

5.19.18.2.1
(07-08-2013)
Adding the FERDI Indicator

- (1) If the taxpayer contact indicates that they are a federal employee/retiree and there is no FERDI indicator present, input the indicator to IDRS CC ENMOD with Transaction Code (TC) 971 Action Code 051.
- (2) On joint balance due assessments, input the indicator on the primary SSN if either the taxpayer or spouse is a federal employee or retiree.

5.19.18.2.2
(04-17-2015)
Removing the FERDI Indicator

- (1) Once a year, FERDI indicators are systemically removed from accounts of taxpayers who are no longer federal employees or retirees. This is accomplished by matching FERDI taxpayer records (both the primary and secondary SSN for joint entities) against federal sources to identify those individuals no longer employed, or in the case of retirees, deceased. In order to systemically remove the indicator, **both** the primary and secondary SSN must not match the federal sources. Master File processing generates a TC 016 with DLN 38263-995-00100-y, (where "y" is the last year digit of the year the DLN was assigned) which removes the FERDI indicator.
- (2) During telephone contact, if the taxpayer informs you that they are not a federal employee, take the following actions before removing the FERDI indicator:
 - a. Secure last date of employment and document AMS history.

Caution: Do not remove the FERDI indicator if the taxpayer states that they have retired and are receiving a pension from the federal government.

- b. Research ENMOD to see when the FERDI indicator posted to the account. See IRM 5.19.18.2(2) for instructions on identifying the indicator. If the indicator was set after the last date of employment, the taxpayer is, in all likelihood, a current federal employee or retiree.
- c. Check IDRS CC IRPTR and/or LEVYS to confirm that the taxpayer receives no other federal salary or retirement benefits.

Reminder: On joint liabilities, either the primary or secondary spouse, or both, may be federal employees or retirees.

- d. If your research is inconclusive, contact the federal employer to confirm the taxpayer's claim.
- (3) When working inventory, you may remove the FERDI indicator without taxpayer confirmation or contact in the following instances:
- History shows that the federal source was deleted with levy deletion code "3" which means that the taxpayer is no longer employed **and** the FERDI indicator was set before the federal source was deleted **and** there are no other federal sources for the taxpayer (or spouse on a joint liability).
 - IRPTR and LEVYS research shows no federal sources for the taxpayer (or spouse on a joint liability) **and** the FERDI indicator was set before the IRP tax year you are researching.
 - Phone contact with the federal source or LP59 response confirms that the taxpayer is no longer employed **and** there are no other federal sources for the taxpayer (or spouse on a joint liability).
 - Taxpayer is deceased. Follow procedures in IRM 5.19.18.5.5.2.3.
 - The taxpayer is the spouse of a federal employee or retiree, but is not one themselves **and** are no joint liabilities with the federal spouse.

Example: The taxpayer and the federal spouse filed jointly in 2009 resulting in a balance due assessment. The taxpayer filed separately thereafter. The 2009 balance due was satisfied and is in Status 12. There are no remaining outstanding joint liabilities. You may remove the FERDI indicator.

Example: In the example above, the 2009 joint balance due is in Currently Not Collectible status, or any status other than Status 12. Do not remove the FERDI indicator.

- (4) If your research confirms the taxpayer's claim, input TC 972 Action Code 051 to IDRS CC ENMOD to remove the FERDI indicator. Input history code "OADT,21,PN97251".

Note: TC 972 Action Code 51 will NOT reverse the IRS employee indicator.

5.19.18.3
(12-20-2024)
**IRS Employee FERDI
Cases**

- (1) In addition to the FERDI indicator, IRS employee FERDI cases are identified by the following codes:
 - Taxpayer Delinquent Account (TDA): "IRS EMPLOYEE"
 - CC ENMOD: "IRS-EMP"
 - CC TXMOD: "IRS-EMP"
 - CC IMFOL: "IRS-EMP"
 - TDI: SELECTION CODE "02"
 - AMS: "ALERT INDICATOR" on primary screen
- (2) IRS may be shown as an employer on IDRS CC LEVYS and CC IRPTR.
- (3) IRS employee accounts bypass Status 22 and go directly from TDA or TDI notice status to Status 26 for assignment to a revenue officer.
- (4) You may not work IRS employee notice status accounts. Explain to the taxpayer that the account will be transferred to Field Collection and a revenue officer authorized to work IRS employee accounts will contact them. See IRM 5.1.7.8.
 - Complete Form 11377-E, Taxpayer Data Access.
 - Use CC STAUP 2200 to transfer the case to Collection Field function. This action will cause the account to go directly to Status 26.
- (5) You may handle general information telephone inquiries from IRS employees. Examples include, but are not limited to, refund inquiries, change of address, and requests for mailing addresses. You may also handle minor revisions to Installment Agreements (IA), such as a change to the payment date for IRS employees with existing IAs in Status 60/63.

Reminder: Do not modify or change monthly IA payments for IRS employees with existing installment agreements in Status 60/63. Do not set up new installment agreements or Short-Term Payment Plans. You may not make a Currently Not Collectible (CNC) determination, establish a Partial Pay Installment Agreement (PPIA), or a Regular IA (NSIA), or perform any penalty abatements.
- (6) Do not reinstate defaulted installment agreements in Status 64. These accounts must be worked by Field Collection.
- (7) For all contacts, complete Form 11377-E, Taxpayer Data Access.

5.19.18.4
(12-20-2024)
**FERDI General Case
Processing Overview**

- #
- assigned to the ACS call site in Jacksonville, Florida. Follow general case processing procedures unless otherwise instructed in this IRM.
- (2) Incoming phone calls received on FERDI TDA accounts with related notice status modules will be handled by the Jacksonville, Atlanta, and Seattle call sites.
 - (3) Compliance Services Collection Operations (CSCO) employees working FERDI notice status correspondence will follow normal processing procedures. Do not accelerate FERDI notice status accounts to ACS unless required by those procedures. If it is necessary to accelerate the account to ACS, input STAUP 2200 with TSIGN 0120 if pending installment agreement requirements met, or TSIGN 0000 for all others, using CC ASGNI. See IRM 2.4.27 for input procedures.

- (4) All ACS call sites handling FERDI incoming calls will follow normal telephone contact procedures unless otherwise instructed in this IRM.
- (5) Employees should consider indicators of fraud when working inventory and speaking with taxpayers. See IRM 25.1.11, Campus Collection Fraud Procedures, and IRM 25.1.11-1, Fraud Indicator Check Sheet, for more information. When an initial indicator of fraud is identified, fraud development must be considered.

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reported currently not collectible with an Unable to Contact closing code (NC12) when efforts to contact the taxpayer are unsuccessful although the address is known and there is no means to enforce collection. Managerial approval is required for all FERDI Unable to Contact dispositions.

- (7) All FERDI correspondence, Collection Due Process (CDP) cases, and Taxpayer Advocate Service (TAS) cases will be worked by ACS Support (ACSS) sites.
- (8) FERDI cases are MFT 30, 31, 35 or 55, only.
- (9) FERDI incoming calls are handled based on IDRS status.
 - a. FERDI calls on notice status accounts without related TDA modules require no special handling. Work these cases using notice status procedures.
Exception: See IRM 5.19.18.3 for handling calls from IRS employees.
 - b. If translation is needed for non-English speaking FERDI taxpayers, Jacksonville, Seattle and Atlanta ACS employees will use Over-the-Phone Interpreter Service (OPI).
Exception: Employees not trained to handle BMF accounts will transfer calls from FERDI taxpayers that are in-business and have unresolved collection (TDA/TDI) issues under a cross referenced EIN to telephone transfer number 1085. If the caller is no longer in business or is in-business but does not have a BMF collection issue, the call should not be transferred and should be handled according to normal FERDI procedures.
 - c. Follow procedures in IRM 5.19.1.3.2.4, Revenue Officer (RO) Assignment, for handling FERDI calls on Status 26 accounts.
- (10) All other ACS employees handling incoming calls on FERDI accounts will use telephone transfer number 1082 to transfer the call. See IRM 5.19.18.2 for instructions on how to identify a FERDI case.
- (11) The procedures in these sections apply to ACS and ACS Support (ACSS).
- (12) The following balance due module dispositions are blocked by Master File:
 - Unable to Locate, TC 530 closing code (CC) 03
 - TC 530 CC 39 (if the 23C date is more than six months from the latest Collection Statute Expiration Date (CSED) or the total module balance is greater than \$25.

Note: In addition to the above types of disposition, ACS blocks TSIGN to 7000 (Queue).

(13) The following delinquent return module dispositions are blocked by Master File:

- Unable to Locate, TC 593 CC 32
- Surveyed, TC 597
- Shelved, TC 598

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(15) When speaking to the taxpayer consider sending Pub 4190, Tax Guide for the Retiree, to federal retirees to help them understand their tax obligations.

(16) Document each action taken on the case in the AMS history. History entries should contain enough information so any person subsequently reading the history can easily determine what additional actions are required to resolve the case.

5.19.18.4.1
(08-03-2023)
**Taxpayer Advocate
Service (TAS)
Procedures**

- (1) Form 12412, Operations Assistance Request (OAR), for FERDI taxpayers will be assigned to S7 and worked by ACS Support (ACSS).
- (2) ACSS employees will follow procedures in IRM 5.19.6.20.7.
- (3) When OAR processing is completed, assign the case to F1.
- (4) If TAS requests a hold on the account move the case to S7 pending receipt of the OAR.

Caution: Do not release levies or block the Federal Payment Levy Program (FPLP) without an OAR.

5.19.18.4.1.1
(12-20-2024)
Referrals to TAS

- (1) Per the Taxpayer Bill of Rights (TBOR), taxpayers have the right to expect a fair and just tax system which provides taxpayers with the opportunity to have their facts and circumstances considered when it might affect their underlying liabilities, ability to pay, or ability to provide information timely. Taxpayers have the right to receive assistance from TAS if they are experiencing financial difficulty or if the IRS has not resolved their tax issues properly and timely through normal channels. For additional information on the Taxpayer Bill of Rights, visit *Taxpayer Bill of Rights*.
- (2) Refer taxpayers to TAS when the contact meets TAS criteria (see IRM 13.1.7, Taxpayer Advocate Service (TAS) Case Criteria), or when Form 911, Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order), is attached and steps cannot be taken to resolve the taxpayer's issue the same day.
- (3) "Same day" includes cases that can be resolved in 24 hours, as well as cases where steps can be taken within 24 hours to begin resolving the issue. See also IRM 13.1.7.5, Same Day Resolution by Operations, for additional guidance.

- (4) When making a TAS referral, use Form 911 and forward to TAS in accordance with your local procedures.
- (5) Move case TOS7,45,ATAO.

Note: TAS Service Level Agreements:: The National Taxpayer Advocate has reached agreements with the Commissioners of the Taxpayer Services Division, Small Business & Self Employed (SB/SE) Division, Tax Exempt & Government Entities (TE/GE), Criminal Investigations (CI), Appeals, and Large Business and International (LB&I) that outline the procedures and responsibilities for the processing of Taxpayer Advocate Service (TAS) casework when either the statutory or delegated authority to complete case transactions rests outside of TAS. These agreements are known as Service Level Agreements (SLAs). The SLAs are located at *TAS Service Level Agreements*.

5.19.18.4.2
(04-17-2015)
Identity Theft

- (1) When working cases with identity theft issues, follow procedures in IRM 5.19.21.
- (2) Identity theft cases in the O1 inventory are worked by ACSS. When ACSS processing is complete, cases will be moved back to the originating F inventory.

5.19.18.4.3
(08-08-2011)
**Collection Due Process
(CDP)**

- (1) Assign Form 12153, Request for Collection Due Process or Equivalent Hearing, or any written request for CDP or equivalent hearing received from FERDI taxpayers to S8.
- (2) When CDP processing is completed, move the case to F1.

5.19.18.4.4
(01-18-2012)
Correspondence

- (1) FERDI correspondence cases are assigned to the F9 inventory and worked by ACS Support (ACSS).

Note: After processing LG\$ correspondence, ACSS will reassign those cases requiring credit bureau research TOF7,00,CRBUR for resolution.

- (2) FERDI cases can be identified by the literal "FE" on the ACS entity screen and/or "Federal Employee" in the Alerts section of the AMS summary screen. See IRM 5.19.18.2 for additional ways to identify FERDI cases.
- (3) When screening incoming mail, follow procedures in IRM 5.19.6.11, ACSS Clerical Procedures for Incoming Mail. Substitute F9 for any reference to S4.
- (4) Follow procedures in IRM 5.19.6.18, FERDI - F9 Inventory Processing, when processing F9 inventory. Substitute F9 for any reference to S4.

Reminder: Do not remove FERDI cases from the F inventory unless specifically directed.

5.19.18.4.5
(05-31-2012)
**International Case
Processing**

- (1) The intent is to find a physical address and/or phone number and contact the taxpayer, or to locate the taxpayer's assets and secure any unfiled return(s). If a levy source is found, proceed with collection.

- (2) If the taxpayer is in the military and there is no Combat Zone freeze on the account, then issue a levy. Make sure the levy is sent to the correct address based on the taxpayer's status and branch of service. For taxpayers with an APO (Army Post Office) or FPO (Fleet Post Office) address, if necessary, check the following Department of Defense website to determine if the taxpayer is currently in the military on active duty and their branch of service: *Department of Defense Servicemembers Civil Relief Act (SCRA)*.
- (3) If there are no levy sources, research CFOL, TRDBV and ACCURINT for a new address, phone number and assets.
- (4) Issue OL16 or OL 26 to the most recent potential new address.

Note: Allow 60 days follow up on all LT/OL or LP letters issued to the taxpayer(s) or third parties if the account has an International address.

- (5) Make a Notice of Federal Tax Lien filing determination. Do not file a Notice of Federal Tax Lien unless a physical address of assets within the United States has been identified. See IRM 5.19.4.6 for Notice of Federal Tax Lien filing procedures.
- (6) If no address, phone number or levy source is found proceed with normal closure actions.

5.19.18.4.6
(12-20-2024)
Affordable Care Act

- (1) Under the Affordable Care Act (ACA), the Federal government, state governments, insurers, employers and individuals are given shared responsibility to reform and improve the availability, quality and affordability of health insurance coverage in the United States.
- (2) Starting in 2014, the individual shared responsibility provision calls for each individual to have minimum essential health coverage (known as minimum essential coverage (MEC)) for each month, qualify for a coverage exemption, or make a shared responsibility payment (SRP) when filing their Federal income tax return.

Note: The Tax Cuts and Jobs Act of 2017 (TCJA) reduced the shared responsibility payment of individuals to zero for tax year 2019 and later. See IRM 5.9.17.8.10 for more information.

- (3) The amount of any payment owed takes into account the number of months in a given year an individual is without minimum essential coverage or a coverage exemption from the responsibility to maintain MEC.
- (4) MFT 35 Tax Class 2 File Source 1 is the IMF (Individual Master File) MFT for the Individual Shared Responsibility Payment.
- (5) FERDI SRP modules with related TDA and/or TDI modules are assigned to normal F inventories.
- (6) FERDI stand-alone SRP modules are systemically assigned to F8. If an account becomes a stand-alone SRP account, ACS will systemically generate TOF8,01,SRP ONLY. See IRM 5.19.18.5.8.1 for the definition of stand-alone SRP.

5.19.18.5
(09-25-2017)
**FERDI Inventory
Processing**

- (7) The individual SRP amount owed is **not** subject to penalties, levies or the filing of a Notice of Federal Tax Lien. However, interest will continue to accrue until the total SRP is paid. The IRS may offset federal tax refunds to the SRP amount until it is paid in full.
- (8) Individual SRP (MFT 35) modules are excluded from the Federal Payment Levy Program (FPLP).

- (1) As federal employees or retirees, FERDI taxpayers receive federal payments which are subject to a 15% continuous levy through the Federal Payment Levy Program (FPLP). See IRM 5.19.9.4 for information about FPLP and FPLP processing.

Exception: Active duty military, National Guard/Reservists, military retirees receiving disability payments and Medal of Honor recipients are not included in the FPLP.

- (2) Where applicable, ACS processing will use FPLP as the primary tool in resolving FERDI balance due cases. Cases receiving FPLP payments will be systemically monitored. FERDI cases that will be paid in full by each module's CSED will receive no additional treatment unless the conditions specified in IRM 5.19.18.5.2 apply. FERDI cases that will not be paid in full by the CSED and those with no FPLP payments will be subject to additional actions to resolve the case.
- (3) The "F" function has been designated for FERDI cases at the Jacksonville call site. Unless otherwise specified, do not remove the case from the "F" inventory. Move cases assigned in error to other ACS inventories back to the appropriate "F" function inventory.
- (4) FERDI cases entering ACS will be unblocked for FPLP processing and assigned to one of the "F" inventories, with the exception of the following cases:
 - Pending installment agreements are assigned to R5
 - Cases manually returned from the queue are assigned to R8
 - Disaster cases are assigned to H1
 - TAS OAR/Hold requests are assigned to S7
 - Collection Due Process (CDP) cases are assigned to S8

Note: MFT 35 modules are excluded from FPLP.

- (5) There are ten inventories - F0 through F9:
 - F0 - Managerial inventory for cases requiring approval
 - F1 - Initial processing
 - F2 - Systemic monitoring of cases where the FPLP will full pay the account within the CSED period
 - F3 - Systemic monitoring of cases where the FPLP will **not** full pay the account within the CSED period
 - F4 - Manual processing
 - F5 - New assessment and/or other actions
 - F6 - Levy follow-up
 - F7 - Locator/Pre-closure research
 - F8 - TDI or SRP only

- F9 - Correspondence and ACS Support cases

- (6) Cases are systemically processed in the F1, F2 and F3 inventories based on ACS programming unique to FERDI accounts. ACS history codes will not impact the systemic movement of cases between inventories. While the input of history codes is not necessary, it is highly recommended for consistency and informational purposes.
- (7) At any point, the case will be moved out of the F function and into the appropriate ACS inventory if the FERDI indicator is removed.
- (8) When you encounter issues that are not addressed in the IRM, move the case to F7 so that it can be researched by a Lead. The Lead will take the appropriate actions. Bring the issue to Headquarters via the SERP Feedback application. See IRM 5.19.1.2.1 for guidance on submitting SERP Feedbacks.
- (9) For LG\$ cases, make a Notice of Federal Tax Lien (NFTL) filing determination during the initial case review. If the NFTL will not be filed on initial review, document actions taken on the account on Account Management System (AMS) and get managerial approval.

5.19.18.5.1
(09-01-2010)

F1 - Initial Processing

- (1) All FERDI cases, except those specified in IRM 5.19.18.5(4) above, are assigned to F1 for initial FPLP processing. See IRM 5.19.9.4.3 for an explanation of the FPLP process.
- (2) Cases where a FPLP match occurred (TC 971 AC 062) and two FPLP payments have posted (TC 670 with DPC codes 18 or 19) to the account will be reassigned to F2 for systemic monitoring.

Exception: Cases with missing (all zeros) CSEDs will be reassigned to F4 for correction of the CSED prior to systemic monitoring. See IRM 5.19.18.5.4.5.

- (3) Cases where no FPLP match occurred, or a FPLP match occurred but no payments were received, will be systemically blocked from FPLP and reassigned to F5 for manual levy issuance. Before assignment to F5, account modules will be analyzed for Collection Due Process (CDP) notice requirements and the LT11 issued as necessary.

5.19.18.5.2
(04-17-2015)

F2 - Systemic Monitoring (Full Pay within CSED)

- (1) This inventory contains those cases in continuous FPLP levy status that will be full paid within the CSED.
- (2) Weekly ACS processing will analyze accounts for the conditions shown below. Any of these conditions will result in systemic reassignment of the case to a manual inventory for appropriate action.
 - a. FPLP payments stop
 - b. Additional assessment
 - c. FPLP payments will no longer full pay the account within the CSED
 - d. Pending CSED expiration
 - e. Missing CSED (all zeros)
- (3) The follow-up date is set each week to the earliest CSED date on any open module.

5.19.18.5.3
(09-01-2010)
**F3 - Systemic
Monitoring (Will Not Full
Pay within CSED)**

- (1) This inventory contains those cases in continuous FPLP levy status that will not be full paid within the CSED after all non-FPLP levy sources have been exhausted.
- (2) The conditions shown in IRM 5.19.18.5.2(2) above will result in systemic reassignment of the case to F4. In addition, cases in F3 are systemically reassigned to F4 with history code TOF4 01,NW SRC when a new levy source becomes available.

5.19.18.5.4
(09-01-2010)
**F4 - Manual Processing
Procedures**

- (1) This section provides procedures for working cases systemically moved to F4 from F2 and F3.

5.19.18.5.4.1
(12-20-2024)
**FPLP Payments Will Not
Full Pay Account Within
CSED**

- (1) Cases are systemically reassigned from F2 with history code TOF4 01,NOT FP when FPLP payments are being received but will not full pay the account within the CSED.
- (2) If there are any restricted interest/penalty modules on the account, review the AMS comments to determine if the manual levy process has already been completed.
 - a. If no, do not issue any levies and move the case TOF7,30,RESTINT.
 - b. If yes, proceed with F4 processing.

Note: Do not reissue levies that have already been sent through the manual levy process.

- (3) Evaluate all non-FPLP levy sources.

Reminder: The individual SRP amount (MFT 35) owed is **not** subject to levies or the filing of a Notice of Federal Tax Lien.

- (4) Leave FPLP levy in place and issue levies on **all** non-FPLP non-wage sources such as bank accounts. If the only non-FPLP source is a wage source, issue levy at this time.

Exception: On joint liabilities, non-FPLP wage levies can not be issued on both spouses at the same time unless you are certain that the taxpayers on a joint assessment are no longer married or are living apart. You may have both a FPLP and one wage levy in place at the same time.

Reminder: Ensure that CDP and third party contact (TPC) notice requirements on all assessments for each module have been met. Issue LT11 or LT40 as appropriate and reassign case TOF5 with appropriate follow-up date.

- (5) Reassign TOF2. Cases will remain in F2 for 90 days to allow levy payments to post. Once 90 days has elapsed, if the account will still not be full paid within the CSED, it will be systemically assigned to F4 again to evaluate levy sources.

- (6) On subsequent reassignments to F4, continue FPLP, follow up on previously served levies, and issue levies on remaining non-FPLP sources until all levy sources are exhausted. Once all levy sources have been exhausted, reassign TOF3.

Example: The taxpayer works for the US Postal Service and FPLP payments are received from that source. Your research shows that the taxpayer has a second job and three bank accounts. Issue levies to all three bank accounts and move the case to F2. After 90 days, if the account still will not full pay within the CSED, it will be systemically reassigned to F4 again. Issue a levy to the second job and move the case to F2. After an additional ninety days, if the account will still not be full paid within the CSED, it will be moved to F4 for the third time. If all levy sources have been exhausted, move to F3.

Reminder: Ensure that CDP and TPC notice requirements on all assessments for each module have been met. Issue LT11 or LT40 as appropriate and reassign case TOF5 with appropriate follow-up date.

- (7) If FPLP is the only levy source and you determine that the Form 668-W paper levy will be more productive, take the following actions:
- Input TC 971 AC 061 on IDRS to block the tax module(s) from FPLP. See IRM 5.19.9.4.5.1.
 - Reassign TOF5,30 for paper levy issuance.

Reminder: Follow the guidelines in IRM 5.19.9.4.5.1 to determine whether a paper levy is preferable.

- (8) If FPLP is the only levy source and you determine that the FPLP levy will be more productive than the Form 668-W paper levy, reassign the case to F3.

5.19.18.5.4.2

(12-20-2024)

FPLP Payments Stopped

- (1) Cases are systemically reassigned from F2 or F3 with history code TOF4 01,NO PYMT when two FPLP payments have **not** been received within the 104 day look-back period. The following conditions will cause payments to stop:
- FPLP was erroneously blocked.
 - Taxpayer is deceased, no longer employed, or in a non-pay status.
 - FPLP exclusion criteria cause the account to systemically reverse out of FPLP. See IRM 5.19.9-3, FPLP Exclusion Criteria, for a list of entity and module transaction and freeze codes that are excluded from FPLP.
- (2) A systemic check has been added to F4 processing to move cases back to F2 when two FPLP payments are received within the look-back period.
- (3) If the FPLP was erroneously blocked, input a TC 972 AC 061 on each module to unblock and reassign TOF1. Otherwise, reassign TOF5.
- (4) If payments stopped as a result of an additional TC 240 (MFT 55 only), TC 290, or TC 300 assessment, issue an LT11 and reassign TOF1.
- (5) If exclusion criteria apply, determine if the reason prevents manual levy issuance.
- If exclusion criteria does not prevent manual levy issuance, issue levy on a non-FPLP wage source and all non-wage sources. Reassign TOF6.

Reminder: The individual SRP amount (MFT 35) owed is **not** subject to levies or the filing of a Notice of Federal Tax Lien.

- b. If exclusion criteria prevent manual levy issuance, leave the case in F4. Follow procedures pertaining to the exclusion issue and initiate Form 4442, if necessary. Enter history code OADT,XX where XX is the appropriate follow-up date. When the follow-up date expires reassign TOF2 if FPLP payments have resumed. Otherwise, take appropriate actions to resolve the exclusion issue.

5.19.18.5.4.3
(01-01-2015)
New Levy Source

- (1) Cases are systemically reassigned from F3 with history code TOF4 01,NW SRC when FPLP payments are being received and a new levy source, other than the FPLP source, posts to IDRS.
- (2) Issue a levy on the new source and reassign TOF2. The aim is to reduce the account balance to an amount that can be full paid within the CSED by FPLP.

Reminder: The individual SRP amount (MFT 35) owed is **not** subject to levies or the filing of a Notice of Federal Tax Lien.

5.19.18.5.4.4
(09-01-2010)
**Pending CSED
Expiration**

- (1) Cases are systemically reassigned from F2 and F3 with history code TOF4 01,COLSED when the CSED on one or more modules will expire within 45 days.
- (2) Take the following actions:
 - a. Document the AMS history with the module(s) that will expire.
 - b. Reassign TOF0,,NC39 for approval of TC 530 CC 39 on the CSED modules.
 - c. After NC39 has been input, enter history code OADT,21,NC39.
 - d. If the account is still in F0 after the follow-up date expires, reassign TOF2.

5.19.18.5.4.5
(09-01-2010)
Missing CSED

- (1) Cases are systemically reassigned from F1, initial processing, with history code TOF4 01,Z CSED when one or more account modules has a missing or "all zeroes" CSED. These cases cannot be systemically monitored.
- (2) In most instances the missing CSED results from a Combat Zone case with no TC 500 exit date. Follow procedures in IRM 5.19.10.6 and IRM 5.19.10.7 to resolve the account. The CSED will update when the TC 500 exit date is input.
- (3) After inputting the TC 500, input OADT,21 on ACS. If the account is still in F4 after the follow-up date expires, reassign TOF2.
- (4) For all other missing CSEDs, refer the case to the AM Statute function for resolution. See IRM 25.6.1.4.1.

5.19.18.5.5
(12-03-2020)
**F5 - New Assessments
and/or Other Actions
Procedures**

- (1) F5 inventory consists of the following cases:
 - a. Systemically reassigned from F2 and F3 with history code TOF5 01,NW ASMT when there is a new assessment.

- b. Systemically reassigned from F1 with history code TOF5 01,ISS LVY for manual levy issuance when no FPLP payments have been received and more than 45 days has elapsed from the issuance of the LT11.
 - c. Systemically reassigned from F1 with history code TOF5 52,ISS LVY for manual levy issuance when no FPLP payments have been received and less than 45 days has elapsed from the issuance of the LT11.
 - d. Manually reassigned from F4 for paper levy issuance.
- (2) Cases assigned to F5 for one year where the last action was TOF5 01,ISS LVY or TOF5 52,ISS LVY, and with no subsequent actions for one year will be unblocked for FPLP using TC 972 AC 61 and moved to F1. These cases can be identified by action history code TOF1 01, F5_UNB. This action will occur only once per entity.
 - (3) Modules systemically moved to F5 are blocked from FPLP. Modules manually moved to F5 are not systemically blocked. Input the FPLP block on manually moved cases as appropriate.
 - (4) Conduct case analysis by reviewing the ACS history codes to determine next actions as defined below.

5.19.18.5.5.1
(07-08-2013)

New Assessments

- (1) For cases receiving FPLP payments, the FPLP was blocked when systemically moved to F5 with history code TOF5 01,NW ASMT. Take the following actions:
 - a. Issue an LT11 on the new assessment.
 - b. Input TC 972 AC 061 to unblock.
 - c. Reassign the case TOF2.
- (2) For cases subject to FPLP payments take the following actions:
 - a. Issue an LT11 on the new assessment.
 - b. Input TC 972 AC 061 to unblock, if the tax module is not already unblocked.
 - c. Reassign the case TOF1.
- (3) For cases not subject to FPLP, issue an LT11 with a 52 day follow-up. Leave the case in F5.

5.19.18.5.5.2
(08-03-2023)

Issue Levy

- (1) Cases are systemically assigned to F5 from F1 for manual levy issuance when the taxpayer is a FERDI but we have **not** received any FPLP payments. Cases may also be manually reassigned to F5 from F4 when:
 - a. FPLP payments have stopped and/or
 - b. You need to issue Form 668–W, Notice of Levy on Wages, Salary and Other Income, commonly known as a “paper” levy, instead of FPLP to the federal source.
- (2) Before issuing levies, make sure that all Collection Due Process (CDP) notice and Third Party Contact (TPC) notification requirements have been met on all assessments for each module. See IRM 5.19.4.3.4(9) and IRM 5.19.4.3.4(10).

Reminder: Individual SRP amount (MFT 35) modules are excluded from CDP notice requirements.

- (3) Review the account to see if FPLP payments were received (TC 670 with DPC 18 or 19) or were pending (TC 971 AC 062 posted), or case was blocked in error.
 - a. If yes, input TC 972 AC 061 on each module to unblock the FPLP and reassign case TOF1.
 - b. If no, proceed with F5 processing.

Note: IRM 5.19.18.5.5.2.1 for special instructions for military retirees.

- (4) Follow the instructions below to update levy sources on ACS. These instructions apply to FERDI cases only.

Note: The federal agency for garnishment purposes is often not the same federal agency the taxpayer is employed with. Therefore, the levy source indicating a federal employer or branch of the military that the TP retired from should not be considered duplicate and should not be deleted.

- a. Delete federal levy sources only if they are duplicates or it has been confirmed with the source that the taxpayer is no longer employed. See IRM 5.19.4.3.6.1 for additional guidance on identifying duplicate levy sources.
 - b. Delete levy sources for the non-liable spouse.
 - c. If no levy sources are present on ACS, review command codes IRPTR, TRDBV, and/or LEVYS. Add any federal levy source that is not on ACS.
 - d. In addition to (c) above, add any non-federal levy source if it appears to be productive. For example, a bank source on the most recent IRPTR that hasn't been used before.
- (5) If there are any restricted interest/penalty modules on the account, review the AMS comments to determine if the manual levy process has already been completed.
 - a. If no, do not issue any levies and reassign the case TOF7,,RESTINT.
 - b. If yes, proceed with F5 processing.

Note: Do not reissue levies that have already been sent through the manual levy process.

- (6) Issue levies on **one** wage source **and all** non-wage sources. To prevent over-collection, use judgement when issuing multiple levies. Document AMS Comments or ACS History as to why a levy source was or was not selected.

Example: The taxpayer is a military reservist, owes \$10,000, and no FPLP payments have been received. Your research shows that in addition to their military reserve pay, the taxpayer works full-time at Walmart, part-time at McDonalds, and has three bank accounts. Levy on the most productive wage source and all three bank accounts.

Example: Same facts as the above example but the taxpayer owes \$300. Use judgement to determine the best combination of levy sources to use.

- (7) If the liability is a result of a joint return and both husband and wife are employed, issue the wage levy on one spouse only. Select the wage source of the spouse receiving the larger income.

- (8) Reassign TOF6,XX, where XX is a 120 day follow-up for levies on federal sources (military and civilian) and 47 day follow-up for all non-federal sources. When issuing levies on federal and non-federal sources at the same time, set a 120 day follow-up.
- (9) Use Form 668–W to attach non-federal wage sources, military active duty pay and military pensions. Use judgement to determine whether levy on the military pension will be more productive than the FPLP levy.
- (10) Use Form 668–W to attach pension income and the Retirement and Disability Survivors Insurance portion of Social Security benefits. Approval authority for these levies is delegated to call site unit managers and GS–9, or above revenue officers.

Note: Social Security benefits are subject to FPLP. Before issuing a levy, determine if a levy has already been issued through FPLP. Follow the guidelines in IRM 5.19.9.4.5.1 to determine whether a manual levy is preferable.

- (11) Levy on retirement income, benefit income, and Social Security income require managerial approval. Reassign TOF0,,LVnn. Document ACS Comments or AMS History identifying which levy needs approval.
- (12) Form 668–W has a continuing effect on salary, including the salary of National Guard/Reservists. Defense Finance and Accounting Service offices should not return these levies without remittance when the taxpayer is an active member of the National Guard/Reserves unless the taxpayer's allowance exemptions from levy equal or exceed their pay.
- (13) **Do not** issue a Form 668-W if there is already a FPLP levy on the same federal payment. If you determine that the paper levy will be more productive than the FPLP follow the instructions in IRM 5.19.18.5.5.2.2.

5.19.18.5.5.2.1

(12-20-2024)

FPLP Levies on Military Retirees

- (1) Military retirement payments were added to the FPLP in May 2017. Military retirees receiving disability payments and Medal of Honor recipients are excluded from the FPLP levy, but are not excluded from the FPLP match. Therefore, no FPLP payments will be received from the military retirement source after the match when the retiree is determined to be a disability or Medal of Honor recipient.
- (2) A match against military retirement pay can be identified by a TC 971 062 with a DLN containing 0102 in positions 7 through 10, 02 in positions 11 and 12, and 0 in position 13. If the taxpayer is a military retiree, determine if there was a match against military retirement pay and follow instructions in the table below.

If..	Then...
Military retirement pay was matched and TC 971 AC 662 posted with no subsequent TC 670 DPC 18 or 19 payments	Proceed with F5 processing.

If..	Then...
Military retirement pay was matched and there are subsequent TC 670 DPC 18 or 19 payments and the case was blocked in error	Input TC 972 AC 061 on each module to unblock the FPLP and reassign the case to F1.
There was no match after May 1, 2017, and an FPLP block has been in place since that time	Input TC 972 AC 061 on each module to unblock the FPLP and reassign case To F1.
The account was unblocked after May 1, 2017, and there was no match and/or subsequent payments	Proceed with F5 processing.

5.19.18.5.5.2.2
(08-03-2023)

Issuing a Paper Levy on the Federal Source

- (1) If FPLP payments have stopped and your research reveals another federal source
 - a. If CDP notice requirements have been met on all modules, issue paper levy.
 - b. Otherwise, issue LT11 and levy on remaining modules.
 - c. Move case TOF6,XX where XX is a 120 day follow-up for levies on federal sources and 47 day follow-up for all others.
- (2) If we are receiving FPLP payments and
 - The FPLP will not full pay the account within 60 days and
 - You have determined that a paper levy will be more productive than the FPLP levy

If ...	Then ...
CDP notice of intent to levy has been sent on all modules and the TPC requirements are met	<ol style="list-style-type: none"> a. Verify that FPLP is blocked b. Issue paper levy c. Move case TOF6,XX where XX is a 120 day follow-up for levies on all federal sources and 47 day follow-up for all others

If ...	Then ...
CDP notice of intent to levy has not been sent on all modules and the TPC requirements are met	<ol style="list-style-type: none"> Issue LT11 on modules requiring CDP notice Verify that FPLP is blocked Proceed with paper levy on remaining modules Move case TOF6,XX where XX is a 120 day follow-up for levies on all federal sources and 47 day follow-up for all others

5.19.18.5.5.2.3
(04-23-2019)

Deceased Taxpayers

- (1) If you have confirmed that the FERDI taxpayer is deceased, take the following actions:

If ...	Then ...
Spouse is not a federal employee or retiree, or taxpayer has no spouse, or spouse is not liable	<ol style="list-style-type: none"> Follow decedent procedures to input TC 540 Input TC 972 AC 51 to remove the FERDI indicator Enter ACS history code OADT,21,PN97251
Spouse is a federal employee or retiree and is liable	<ol style="list-style-type: none"> Follow decedent procedures to input TC 540 Unblock FPLP and reassign TOF1 if FPLP source available. Otherwise, issue levies on spouse and reassign TOF6

5.19.18.5.6
(12-20-2024)

F6 - Levy Follow-up

- (1) If no payments have been received take the following actions:

- Ensure that all levy sources have been exhausted. Set 120 day follow-up for federal levies and 47 day follow-up for all others.
- If response was received and levy was unproductive and/or levy sources are exhausted, reassign the case to F7.

Note: If Defense Finance and Accounting Service (DFAS) responds that the levy proceeds fall below the exemption amount, or no total amount was shown on the levy due to restricted interest, and all other levy sources are exhausted, reassign TOF7.

- If response was not received, make sure that the levy was sent to the correct address. If the levy was not sent to the correct address, update the address and reissue the levy.

Reminder: When reissuing levies, verify that all balance due modules are included. Ensure that all Collection Due Process (CDP) notice and TPC requirements on all assessments for each module have been met. Issue LT11

and reassign case TOF5 with appropriate follow-up date. Document AMS with the levy that needs to be issued when the follow-up date expires.

- d. If the levy was sent to the correct address and there was no response, make a phone attempt to follow up on the levy. If contact information for the source is not available, or the phone attempt was unsuccessful, issue an LP 59 on both federal and non-federal sources. Leave the case in F6 with a 25 day follow-up.

Note: Reassign no response DFAS levies TOF7 once all other levy sources have been exhausted.

- e. If there is no response to the LP 59 and all levy sources are exhausted, reassign the case to F7.
- (2) If we are receiving **both** FPLP payments **and** non-FPLP wage/military retired pay payments, and payments will full pay the balance due by the CSED or all levy sources have been exhausted, reassign case TOF3.
 - (3) Before establishing any continuous wage levy installment agreement, verify that all modules, including those previously reported as currently not collectible, were included on the levy. If not, ensure that all CDP notice and TPC requirements on all assessments for each module have been met and issue the levy. If CDP and/or 180 day notice requirements have not been met, issue an LT11 and reassign case TOF5 with appropriate follow-up date. Document AMS with the levy that needs to be issued when the follow-up date expires.
 - (4) If non-FPLP only payments are being received, take the appropriate actions per the chart below:

If...	Then...
Payments from a retirement or wage levy are being received and the account will be full paid within 4 months	<ul style="list-style-type: none"> a. Leave in F6 with 120 day follow-up. b. When balance due has been paid, if no other TDI closures can be used, input TFRO,,AOTO8000 to assign the TDI to ASFR.

If...	Then...
Payments from a retirement or wage levy are being received and account will be full paid by CSED	<ol style="list-style-type: none"> Input Continuous Wage Levy (CTLV) following instructions in IRM 5.19.4.4.6 (10) and IRM 5.19.4-3. Substitute F0 for any reference to C0. If assessed account balance reassign TOF0,,CTLV for managerial approval. Document AMS with the terms and name of the employer. Evaluate and close return delinquency modules as appropriate. See IRM 5.19.18.5.10.3(4).
Payments from a retirement or wage levy are being received and account will not be full paid within the CSED	<ol style="list-style-type: none"> Evaluate and issue levies on sources previously not selected or that were previously productive. Leave case in F6 with a 47 days follow-up date (120 days for federal levy source). When processing expired follow-ups, if levy will still not full pay within the CSED, input CTLV following instructions in IRM 5.19.4.4.6(10) and IRM 5.19.4-3. Substitute F0 for any reference to C0. If account assessed balance reassign to F0,,CTLV for managerial approval. Evaluate and close return delinquency modules as appropriate. See IRM 5.19.18.5.10.3(4).

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- (5) If levy was productive, continue to levy that source. If there are any restricted interest/penalty modules on the account, review the AMS comments to determine if the manual levy process has already been completed.

- If no, do not issue any levies and reassign the case TOF7,,RESTINT.
- If yes, proceed with F6 processing.

Note: Do not reissue levies that have already been sent through the manual levy process.

- (6) If all levy sources have been exhausted and the proceeds from the wage levy are less than we would receive from the FPLP, release the wage levy, unblock the FPLP and move the case back to F3.

Exception: Leave the wage levy in place if it will full pay the account within 60 days.

5.19.18.5.7
(12-20-2024)
**F7 - Locator and
Pre-closure Research**

- (1) Cases are manually assigned to this inventory when additional research by a Lead is required, or prior to initiating a currently-not-collectible (CNC) when
- a. No payments have been received
 - b. **All** levy sources have been exhausted
 - c. LP59 response has been received
 - d. No taxpayer contact has been made

Note: Complete all appropriate levy follow-up actions. If levy was unproductive, document AMS history with the reason (for example, "income below exempt amount"). See IRM 5.19.18.5.7.2 for special instructions for levies served on Defense Finance and Accounting Service (DFAS).

Reminder: ACS blocks FERDI balance due modules from unable to locate (CC 03) dispositions

- (2) Determine if the FERDI indicator can be removed per IRM 5.19.18.2.2. If the taxpayer is no longer a FERDI, apply normal ACS procedures.

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- (4) See IRM 5.19.18.5.5.2.1 to determine if military retirement pay was previously subject to FPLP.

- a. If no, input TC 972 AC 061 on each module to unblock the FPLP and move case TOF1.
- b. If yes, and no payments were received, proceed with F7 processing.

- (5) Conduct CFOL and Accurint research for potential new taxpayer address and phone number. Make at least one attempt to call the taxpayer at all phone numbers, including any new phone numbers found. Document the contact attempts on AMS.

Note: For purposes of identification and to prevent unauthorized disclosures of tax information, follow required taxpayer authentication procedures. See IRM 5.19.1.2.3 and IRM 21.1.3.2.3 for guidance.

- (6) If the taxpayer contact attempt fails, follow procedures in the table below:

If...	Then...
No letter has been sent or Entity address change cycle is more current than date of the most recent LT letter and LT letter has not been sent	Issue a LT16 letter to the entity address.

If...	Then...
No letter has been sent or Entity address change cycle is more current than date of the most recent LT letter and LT letter has been sent	Proceed with F7 processing.
Spousal Data Screen on ACS shows a separate address for the secondary spouse and OL letter was not sent	Issue an OL16 letter to the secondary taxpayer's address.
Spousal Data Screen on ACS shows a separate address for the secondary spouse and OL letter was sent	Proceed with F7 processing.
If none of the above conditions exist	Proceed with F7 processing.

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table below:

If ...	Then ...
Balance due only	Close as unable to contact; Input TOF0,,NC12.
There is an open return delinquency	<ul style="list-style-type: none"> • Close balance due as unable to contact (cc 12); Input TOF0,,NC12. • Evaluate any return delinquency modules for potential closures. See IRM 5.19.18.5.10.3(4). • Document remaining return delinquency modules to be closed TC 593 CC 030.

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research for real property. Take the appropriate action(s) per the chart below:

If ...	Then ...
Real property is located	<ul style="list-style-type: none"> a. Document history with address and county of real property b. Input FM10, federal tax lien in each county where real property is located c. Close case as CNC, unable to contact (cc 12). Move TOF0,,NC12. d. Evaluate any return delinquency modules for potential closures e. Document remaining return delinquency modules to be closed TC 593 CC 030.
Real property is not located	<ul style="list-style-type: none"> • Document history that the search was negative • Input FM10, federal tax lien, if assessed balance is • Close case as CNC, unable to contact (cc 12). Move TOF0,,NC12. • Evaluate any return delinquency modules for potential closures. See IRM 5.19.18.5.10.3 (4). • Document remaining return delinquency modules to be closed TC 593 CC 030.

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Note: Include MFT 35 module(s) when a currently not collectible determination is made on related balance due modules.

5.19.18.5.7.1
(11-09-2023)
**Large Dollar CNC
Processing**

- (1) In addition to F7 procedures, you must perform the research below before reporting the LG\$ case as CNC. The goal of the research is to locate the taxpayer and/or assets.
- (2) Case documentation must be complete and substantiate all efforts to locate the taxpayer and/or assets.
- (3) Make a lien determination upon initial case review. See IRM 5.19.4.5.1 for guidance.
- (4) Check CC AMDIS to determine if there is a current examination. If there is an open examination, contact the Revenue Agent or Examiner for any additional ways to locate the taxpayer or address the need to limit the scope based on collectibility. Clearly document this search in the case history. For a list of exam contacts go to the *Exam Contact List* in the Who/Where section of SERP.

- (5) Use Accurant to conduct neighbor, third-party and asset research. Telephone contact must be made with at least one neighbor. Follow-up on any viable leads.
- a. Use the closest address for neighbor phone contact attempts. If telephone contact to neighbor is not possible during non-core hours, document reason on AMS or if attempt was unsuccessful, issue at least two ACS Letter LP64, "Please help Us Locate A Taxpayer".
 - b. If contact is made, follow third party contact procedures per IRM. Do not leave messages with neighbors.
 - c. Identify yourself and ask any pertinent questions.

Caution: Remember, do not disclose taxpayer information.

- d. For each neighbor check done, input the action history literal, "NBORCHK".
- e. Contact other third parties, if possible, including relatives or business interests of the taxpayer found via asset and locator services research. Clearly document the results of these searches in comments, following third party contact procedures.
- f. Attempt additional research via available automated and online telephone and other locator services resources.
- g. If research indicates that the taxpayer is incarcerated, search *Federal Bureau of Prisons Inmate Locator*.

Note: For incarcerated taxpayers, if contact is made with the taxpayer or POA and financial information that establishes hardship is secured and verified, close the case as CNC hardship with the appropriate closing code.

- (6) After completing all research above without productive results, secure a full credit report, following the guidelines below:
- a. Look for mortgages, auto loans, new addresses, levy sources, etc., as appropriate, and follow up on any viable leads.
 - b. Pursue contact with creditors showing recent taxpayer activity on their accounts by sending letter LP64 to the creditor's address.
 - c. Fully document asset leads and, if not pursued, why.
 - d. For every credit report research done, input the action history literal "CRDONE".
 - e. If the Notice of Federal Tax Lien was not filed before closure in accordance with current IRM procedures, file a lien.
 - f. If the taxpayer owns real property other than the primary residence (for example, vacation or rental property) request an additional Notice of Federal Tax Lien if the property is located in a county other than that of the primary residence. Refer to IRM 5.19.4.6.2 for the specific procedures.
 - g. If your research reveals additional avenues of collection, fully document the case with the market value and equity of assets(s) found.

Note: The market value of property can be determined by looking at recent real estate sales of this or nearby properties on the credit report via a Comparable Sales Search, or online sources such as *Zillow.com* and *Trulia.com*. The value of other tangible assets such as luxury vehicles, boats or motorcycles can be found by researching *NADA* or *Kelley Blue Book*. Taxpayer data as well as available internet research sites should be used.

- h. Determine the amount owed against the property via taxpayer and Credit Bureau loan information. Subtract the amount owed from the market value to determine the equity. Document the results on AMS.

(7) Follow the appropriate procedures in the chart below:

If ...	Then ...
Assets with equity are found: AND Levy actions(s) were un-productive AND We have a good address, but unable to contact the taxpayer	<ol style="list-style-type: none"> 1. Transfer the case to CFf with the appropriate assignment code below: "AOTO6541": LG\$ Asset Case; no paper file " AOTO6546": LG\$ Asset Case; paper file being forwarded 2. Update history items on ACS or AMS summit for approval 3. Upon approval, submit all related case documents to the appropriate Territory Office to the attention of the Group Manager Example: asset and locator services research, full credit report, etc.

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- (8) If your research reveals no assets with equity or additional avenues of collection, close the case as CNC, financial hardship. Move TOF0,,NC12. Cases may be reported CNC even if there were previous contacts with the taxpayer, i.e. the taxpayer promises to call back and fails to do so, subsequent attempts to contacts were all non-productive. Ensure all required actions (enforcement/ locator) have been taken and all liens have been filed prior to closure.

5.19.18.5.7.2
(08-01-2017)
DFAS Levy Follow-up

- (1) If levy was served on DFAS retired pay and there was no response to the LP59, or the case is in F7 for restricted interest computation, see IRM 5.19.18.5.5.2.1 to determine if the military retirement pay was previously subject to FPLP.
- (2) If case is in F7 for restricted interest computation on DFAS active duty military, compute the statutory additions using the DMI InterestNet software, prepare the manual levy and mail or fax accordingly. If unable to use the DMI Interest-Net software, input OADT,10,DFAS and forward print to Quality.
- (3) If levy was served on active duty military pay and there was no response to the LP59, check the *Department of Defense Servicemembers Civil Relief Act*

(SCRA) website to determine if the taxpayer is still in active duty status, has left active duty in the past 367 days, or has been notified of call up to active duty.

- If taxpayer is still on active duty, perfect the levy source address and reissue the levy.
- If taxpayer is not on active duty, continue F7 processing.
- If taxpayer will return to active duty on a future date, input OADT,XX,D-FASLVY, where XX is the future active duty date plus 30 days. Reissue levy at that time.

- (4) If DFAS response to levy is "Income Below Exempt", see IRM 5.19.18.5.5.2.1 to determine if the military retirement pay was previously subject to the FPLP.
 - a. If no, input TC 972 AC 061 on each module to unblock the FPLP and reassign case TOF1.
 - b. If yes, proceed with F7 processing.

5.19.18.5.8
(01-01-2015)
F8 - TDI or SRP Only

- (1) The following cases are systemically assigned to F8:
 - Stand alone shared responsibility payment (SRP)
 - Stand alone TDI
 - Combo cases where the balance due modules have been closed out of Status 22

5.19.18.5.8.1
(01-01-2015)
Stand-alone SRP Processing

- (1) A stand-alone SRP occurs when a balance due is created on a module with MFT 35 File Source 1 (SRP 5000A) and there is no other balance due module with a different MFT in Status 22, 24, or 26, or a TDI module in Status 03. If an additional SRP balance due occurs in a subsequent year, but there are no other modules in Status 22, 24 or 26, or a TDI module in Status 03, they are still considered a stand-alone SRP.
- (2) Conduct CFOL and Accurant research for potential new taxpayer address and phone number. Make at least one attempt to call the taxpayer at all phone numbers, including any new phone numbers found. Document the contact attempts on AMS.
- (3) If the taxpayer contact attempt fails, the manager will input TC 530 CC 35 (ACS action NC35) to manually recess the case.

5.19.18.5.8.2
(12-20-2024)
TDI Only Processing

- (1) Stand alone TDIs entering ACS and combo cases where the balance due modules have been closed out of Status 22 are systemically assigned to this inventory. TDIs in F8 for more than 180 days from initial assignment to ACS which have no follow-up, or the follow-up has been expired for more than 60 days, will be systemically reassigned to the Automated Substitute for Return program (ASFR).
- (2) Research comments and history codes for recent OADT,xx,ASFR or OAD-T,xx,EXAM.
 - If OADT,xx,ASFR is present, input TFRO,,AOTO8000.

Exception: International accounts are blocked from assignment to ASFR. See IRM 5.19.18.5.8.3 for guidance in working these cases.

- If OADT,xx,EXAM is present, input OADT,180,EXAM.

(3) Check IDRS CC SUMRY for associated balance due modules. If found, follow procedures in the table below:

Reminder: When making an outcall, follow required taxpayer authentication procedures. See IRM 5.19.1.2.3 and IRM 21.1.3.2.3 for guidance.

If...	Then...
Account has TDA module(s) in notice status	Input STAUP 2200 using IDRS. Input OADT,30,STAUP.
Account has TDA module(s) in Status 23 and LT26 has not been sent and outcall has been made on account	<ul style="list-style-type: none"> • Send LT26 • Input OADT,180,EXAM
Account has TDA module(s) in Status 23 and LT26 has not been sent and no outcall has been made on account	<ul style="list-style-type: none"> • If phone number is available make an outcall. If productive secure promise to file date and input OADT,nn,EXAM where nn= 30 days past the deadline date. • If no phone number is available check Accurant for a possible phone number. Make an outcall if a phone number is found. • If outcall is unproductive or no phone number is found, leave account in F8 and send LT26. • Input OADT,180,EXAM.
Account has TDA module(s) in Status 43	Input OADT,180,ST43
Account has TDA module(s) in Status 53 (NC24-32 only)	Input TC 590 CC 27 using IDRS CC FRM49. Input TOF0,30,RDPND.
Account has associated TDA module(s) in Status 60 due to continuous levy (CTLV)	No other actions are required. Case will be sent to Exam for SFR. Leave account in F8 and input OADT,180,EXAM.
Account has associated TDA module(s) in Status 60 due to installment agreement (not CTLV) and LT26 has been sent and outcall has been made on account	Leave account in F8 and input OADT,180,IA.

If...	Then...
Account has associated TDA module(s) in Status 60 due to installment agreement (not CTLV) and LT26 has not been sent and no outcall has been made on account	<ul style="list-style-type: none"> • If phone number is available make an outcall. If productive secure promise to file date and input OADT,nn,IA where nn= 30 days past the deadline date. • If no phone number is available check Accurant for a possible phone number. Make an outcall if a phone number is found. • If outcall is unproductive or no phone number is found, leave account in F8 and send LT26. • Input OADT,180,IA.
Account has associated TDA module(s) in Status 64	Input OADT,60,ST64
Account has associated TDA module(s) in Status 71 or 72	Input OADT,180,ST71 or OADT,180,ST72 as appropriate.

- (4) If there are no associated balance due modules, follow procedures in the table below:

If...	Then...
If comments and or history codes show prior contact and LT26 was sent	Leave account in F8 and input TFRO,,AOTO8000 Exception: International accounts: Input OADT,180,INTL
If comments and or history codes show prior contact and LT26 was not sent	<ul style="list-style-type: none"> • Send LT26 • Input OADT,180,ASFR

If...	Then...
If no prior contact and LT26 has been sent	<ul style="list-style-type: none"> • If phone number is available make an outcall. If productive secure promise to file date and input OADT,nn,ASFR where nn= 30 days past the deadline date. • If no phone number is available check Accurant for a possible phone number. Make an outcall if a phone number is found. • If outcall is unproductive or no phone number is found, leave account in F8 Leave account in F8 and input TFRO,,AOTO8000.
If no prior contact and LT26 has not been sent	<ul style="list-style-type: none"> • If phone number is available make an outcall. If productive secure promise to file date and input OADT,nn,ASFR where nn= 30 days past the deadline date. • If no phone number is available check Accurant for a possible phone number. Make an outcall if a phone number is found. • If outcall is unproductive or no phone number is found, leave account in F8 and send LT26. • Input OADT,180,ASFR.

5.19.18.5.8.3
(07-08-2013)
**International TDI
Processing**

- (1) International accounts generally have an overseas address, or Army Post Office (APO) or Fleet Post Office (FPO) military address. They can be identified by Primary Location Code (PLC) 9835 on IDRS.
- (2) Effective January 2013, international TDIs were blocked from assignment to ASFR.
- (3) APO/FPO addresses generally belong to active duty military personnel. The *Department of Defense Servicemembers Civil Relief Act (SCRA)* website can tell you if the taxpayer is still in active duty status. If they are no longer on active duty, in all likelihood the taxpayer may have a new stateside address. The aim is to contact the taxpayer to secure the delinquent returns and update the address on IDRS, if appropriate.

- (4) Take the following actions:
 - a. Research Accurant to find the most recent phone number and address.
 - b. If a new phone number and address are found, make and outcall and follow TDI procedures. If the call is unproductive send an OL26 to the new address and input OADT,180,INTL.
 - c. If no new address is found, send LT26 if not previously sent and input OADT,180,INTL.

5.19.18.5.9
(11-09-2023)
**F9 - Correspondence
and ACS Support**

- (1) This inventory contains FERDI correspondence cases, MFT 31 mirror assessment cases, and manually monitored installment agreements. See IRM 5.19.1.6.7, Mirroring Accounts and IRM 5.19.1.6.6, Manually Monitored Installment Agreement, MMIA for guidance.
- (2) Cases in F9 will be worked by ACS Support employees.

5.19.18.5.10
(12-20-2024)
**Telephone Contact
Procedures**

- (1) Unless otherwise specified below, leave the case in its current inventory location while working the taxpayer's issues.
 - (2) The objective is full payment and filing of returns **TODAY**. Unless otherwise directed in this section, follow normal collection and tiered interview procedures. See IRM 5.19.1-3, ACS Call Flow, for additional information.
 - (3) Unless otherwise instructed in this IRM, follow procedures in IRM 5.19.13 when securing and verifying financial information. Prior to Currently Not Collectible (CNC) Hardship closing actions, additional financial verification is

research TOF7,00,CRBUR for resolution.
 - (4) Verify that the taxpayer (and/or spouse on joint liabilities) is still a federal employee or retiree and document the AMS history with their employing agency or federal retirement source.
 - (5) If the taxpayer says they are not a federal employee or retiree and you have followed procedures in IRM 5.19.18.2.2 to confirm this, input TC 972 AC 51 to remove the FERDI indicator and follow procedures in IRM 5.19.1 to work the contact.
- Note:** Before removing the FERDI indicator, research command codes TXMODA or IMFOLP to verify if FPLP payments are being received. This may be an indicator that they are still a federal employee or retiree.
- (6) If the taxpayer qualifies for a Short Term Payment Plan (see IRM 5.19.1.6.3, Short Term Payment Plan Within 180 Days) and agrees to full pay within 180 days, follow procedures in the chart below:

#

If...	Then...
Case is in F1, F2 or F3 and only FPLP payments are being received	<ul style="list-style-type: none"> • Advise taxpayer that FPLP levy will not be released until full payment is received. • Give the taxpayer the appropriate payoff amount based on the date of full payment. Advise the taxpayer to subtract out the number of levy payments that will be received. • Refer to the FPLP processing cutoff dates in IRM 5.19.9.4.3.5(1) to advise the taxpayer of the approximate number of levy payments through the promise to pay date. • Document the history with the promise to pay date and amount. • Input history code "OAD-T,XX,FLPY", where "XX" is 21 days past the payment mailing date or 30 days past the filing date (if TDIs are present), whichever is earlier.
Case is in F4, F5 or F6 and other levies are outstanding , in addition to FPLP	<ul style="list-style-type: none"> • Release any "paper" wage levies. • Do not block/release FPLP or other non-wage (i.e., bank) levies. • Give taxpayer the payoff amount and set follow-up date. • Document the history with the promise to pay date and amount. • Input history code "OAD-T,XX,FLPY", where "XX" is 21 days past the payment mailing date or 30 days past the filing date (if TDIs are present), whichever is earlier. • If taxpayer still owes after the follow-up date reissue the "paper" wage levy.

If...	Then...
Case is in F4, F5 or F6 and only non-FPLP levies are outstanding	<ul style="list-style-type: none"> • Do not release any levies. • Give taxpayer the payoff amount and set follow-up date. • Document the history with the promise to pay date and amount. • Move to F6 if not already there. • If the taxpayer still owes after the follow-up date, follow CTLV procedures.

- (7) A Notice of Federal Tax Lien will be systemically filed on accounts meeting lien filing criteria when the case moves to F2. If the case is in F1 and the taxpayer has been given an extension to full pay, move the case to F4 to prevent systemic lien filing. If a Notice of Federal Tax Lien has already been filed, leave the case in its current inventory.
- (8) If the taxpayer cannot full pay, make IA determination per IRM 5.19.1.6.4.1.
- (9) If the taxpayer claims economic hardship **do not** release any levies until documentation, if required, is received. Follow procedures in IRM 5.19.13.3.3, Asset/Income/Expense Verification and Substantiation, to determine if full or partial release is necessary, then establish IA or CNC as appropriate.

Reminder: If during the course of the contact with taxpayer, they advise you they are experiencing an economic hardship situation or if they ask for assistance in resolving their tax problems, see IRM 5.19.1.3.2.3, Taxpayer Advocate Service (TAS), for guidance about referring taxpayers to TAS.

Caution: If the hardship is verified, the levy must be released. See IRM 5.19.4.4.10.

- (10) Offers in Compromise (OIC) from federal employees, including IRS employees, are considered; however, due to the sensitivity of issues related to federal employee tax delinquency, public policy implications will be considered in all cases. See IRM 5.19.17.3 for OIC processing procedures. **Do not** release any levies solely based on the taxpayer's request for an OIC. Follow guidelines in IRM 5.19.4.4.10(5)(g).
- (11) If the taxpayer states that they have already filed bankruptcy, but the account is not Status 72, follow procedures in IRM 5.19.1.5.2.1.2. Release all levies, including FPLP, then reassign the case to R4. If the bankruptcy has not yet been filed do not release any levies. Follow procedures in IRM 5.19.1.5.2.1.3. Leave the case in its current inventory location.

5.19.18.5.10.1
(12-20-2024)
Installment Agreements

- (1) Installment agreements with federal employees can be made by direct debit, payroll deduction installment agreement (PDIA), credit card, Electronic Federal Tax Payment System (EFTPS), or by making payments by check or money order. See IRM 5.19.1.6 for additional information on methods of payment.

- (2) Encourage salaried taxpayers to use a PDIA when setting up the agreement. See IRM 5.19.1.6.4.14, Form 2159, Payroll Deduction Agreement for PDIA procedures.
 - a. The U.S. Department of Agriculture National Finance Center (NFC), the U.S. Department of Interior Business Center (IBC), the Defense Finance and Accounting Service (DFAS), the General Services Administration (GSA), and the U.S. Postal Service (USPS) provide payroll services for most federal employees.

Note: DFAS accepts payroll deduction agreements for civilian employees, only.

 - b. Use Letter 3676-C, Payroll Deduction Installment Agreement Letter, for PDIA's with DFAS and USPS. All other will accept either Form 2159, Payroll Deduction Agreement, or Letter 3676-C.
 - c. See IRM 5.19.9-2, FPLP - Federal Employee Salary Paying Agencies - NFC, NBC, GSA, DFAS, to determine which payroll provider services the taxpayer's employing federal agency. The payroll provider's contact information can be found on the *National Levy Source Database*.
- (3) If the financial analysis shows that the monthly payment would equal the monthly FPLP proceeds, leave the FPLP in place and move the case to F3.
- (4) Include individual SRP modules (MFT 35) in new or pending installment agreements. See IRM 5.19.1.6.4.22 for additional guidance.
- (5) Follow procedures in the chart below when establishing installment agreements:

If...	Then...
The aggregate unpaid balance of assessment (CC SUMRY) is \$25,000 and under and the taxpayer meets Streamlined IA (SIA) \$25,000 and under criteria in IRM 5.19.1.6.4(9)	<ul style="list-style-type: none"> Establish SIA. Input TOF0,30,IADONE. The FPLP will stop when the account goes into ST 60.
The aggregate unpaid balance of assessment (CC SUMRY) is over \$25,000 and the taxpayer agrees to make a Voluntary Lump Sum Payment (VLSP) to reduce the balance to meet SIA \$25,000 and under criteria	<ul style="list-style-type: none"> Input TC 971 AC 043 on all modules. Input TOR5XX,VLSP, where XX is the payment due date plus 21 days
The aggregate unpaid balance of assessment (CC SUMRY) is between \$25,001 and \$50,000 and the taxpayer does not agree to make a VLSP to reduce the balance to meet SIA \$25,000 and under criteria and meets the conditions in IRM 5.19.1.6.4(10)	<ul style="list-style-type: none"> Follow procedures in IRM 5.19.1.6.4(10) Substitute F0 for any reference to C0

If...	Then...
The aggregate unpaid balance of assessment (CC SUMRY) is over \$50,000 and the taxpayer agrees to make a VLSP to reduce the balance to meet SIA criteria	<ul style="list-style-type: none"> Follow procedures in IRM 5.19.1.6.4.21 Substitute F0 for any reference to C0
The aggregate unpaid balance of assessment (CC SUMRY) is over \$50,000 and the taxpayer does not agree to make a VLSP to reduce the balance to meet SIA criteria	Follow Non-Streamline Installment Agreement procedures
Non-Streamline Installment Agreement (NSIA) and no additional documentation is needed	Establish NSIA and reassign to F0 for managerial approval using history code TOF0,,DDIA, (or PPIA, IA01, etc., as appropriate).
Non-Streamline Installment Agreement (NSIA) and additional documentation is needed additional documentation is needed	<ul style="list-style-type: none"> Input TOR5,45,IAPND. Input TC 971 AC 043 on all modules.

- (6) If the taxpayer meets the criteria for MFT 31 mirror assessment processing, follow procedures in IRM 5.19.1.6.7 . After managerial approval, move the case to F9 using ACS history code TOF9,90,MFT31.

5.19.18.5.10.1.1
(08-01-2017)
Pending Installment Agreement (IA) Follow-up

- (1) FERDI cases meeting pending IA criteria in IRM 5.19.1.6.4.7 will be moved to R5.
- (2) If IA was not established, move the case back to the F inventory after independent review processing is completed.
- If FPLP payments are being received, move to F2.
 - If taxpayer is subject to FPLP, but FPLP payments have not started, move to F1.
 - If taxpayer is not subject to FPLP (i.e., active military), move to F5.

5.19.18.5.10.1.2
(08-08-2011)
Manually Monitored Installment Agreements (MMIA)

- (1) Follow procedures in IRM 5.19.1.6.6 to identify and process cases meeting MMIA criteria.
- Reminder:** Cases will remain in the F9 function for monitoring.
- (2) If FPLP payments are being received on the requesting spouse, advise the taxpayer that the FPLP will be released and explain how many payments will be received based on the FPLP processing cutoff dates in IRM 5.19.9.4.3.5(1). Release all other wage levies on the requesting spouse. Follow the procedures in IRM 5.19.4.4.10 to determine if full or partial release of bank levies is warranted.
- (3) **Do not** block FPLP or release outstanding paper levies on the non-requesting spouse unless you determine that the levy is creating an economic hardship per IRM 5.19.4.4.10.

5.19.18.5.10.2
(09-25-2017)

**Currently Not Collectible
(CNC) - Hardship**

- (4) Upon completion of processing, move case to F9. For cases requiring managerial approval, input ACS history code TOF0,00,MMIA. After managerial approval, move case TOF9,00,MMIA.

- (1) If the taxpayer is unable to meet reasonable basic living expenses, report the case Currently Not Collectible (CNC) (hardship). See IRM 5.19.17.2.4.
- (2) Include related MFT 35 modules using the appropriate hardship closing code.
- (3) If the taxpayer needs to provide additional documentation for the hardship determination and we are receiving FPLP payments, advise them that the FPLP will continue until documentation is received. Reassign TOF4,30.

Reminder: If during the course of the contact with taxpayer, they advise you they are experiencing an economic hardship situation or if they ask for assistance in resolving their tax problems, see IRM 5.19.1.3.2.3, Taxpayer Advocate Service (TAS), for guidance about referring taxpayers to TAS.

Reminder: Per IRM 5.19.8.2(5) you must advise the taxpayer of their right to appeal under the Collection Appeal Program (CAP) when they disagree with the levy action. See IRM 5.19.8.4.16, Collection Appeals Program (CAP) Procedures, for additional guidance.

- (4) If no additional documentation is needed, take the following actions:
 - a. If FPLP payments are being received, advise taxpayer that the FPLP will be released and explain how many payments will be received based on the FPLP processing cutoff dates in IRM 5.19.9.4.3.5(1). If the taxpayer's hardship requires an immediate release of the FPLP, prepare Form 668-D and forward to the appropriate FPLP Coordinator.

Note: Do not block the FPLP. The account modules will be excluded from FPLP when the TC 530 with CC 24-32 posts to IDRS.

- b. If other levies are outstanding in addition to the FPLP, release all wage levies. Follow the procedures in IRM 5.19.4.4.10 to determine if full or partial release of bank levies is warranted.
- c. Reassign the case to F0 for managerial approval.

Reminder: Levies cannot be issued or left in place if the taxpayer meets the criteria for CNC (hardship).

- (5) If the taxpayer meets the criteria for MFT 31 mirror assessment processing, follow procedures in IRM 5.19.1.6.7. After managerial approval, move the case to F9 using ACS history code TOF9,90,MFT31.
- (6) If the taxpayer has unfiled returns, give the taxpayer a deadline to file the returns. Open TDI modules may be resolved by closing as little or no tax due (Policy Statement P-5-133), income below filing requirements, or refund due, if warranted by the facts of the case. See IRM 5.19.18.5.10.3 for guidance. If you are unable to close the TDI, reassign TOF8 after input of the TC 530 on the balance due modules.

Caution: If CNC hardship is established, the taxpayer must be placed in CNC status even if you are unable to secure unfiled returns.

5.19.18.5.10.3
(11-09-2023)

**FERDI Return
Delinquency (RD) - TDI
Dispositions**

- (1) Resolve all return delinquency issues (correspondence or phone calls) timely and accurately to prevent subsequent notices and/or TDI issuances.
- (2) Credit balance must be addressed whenever return delinquencies are closed with a TC 590, 591, or 593. Refer to IRM 5.19.2.6.7, *Credit Balance Overview*, for guidance.
- (3) When talking to the taxpayer, input TC 592 with no closing code for TDI modules closed with a TC 590 CC 027, TC 593, TC 595 (unless the assessment is pending or the case is assigned), TC 597, or TC 598.
- (4) Follow procedures in IRM 5.19.2.8.1 for all High Income Non Filers (HINF) cases.

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- (5) Follow procedures in the IRM sections shown below to resolve return delinquencies. Substitute F0 for any reference to C0.

If ...	Then ...
Taxpayer is not liable to file a tax return (e.g., not enough income to file).	Follow procedures in IRM 5.19.2.6.4.5.1, IMF Response Taxpayer Not Liable.
Return was previously filed under a spouse's TIN.	Follow procedures in IRM 5.19.2.6.4.5.10, IMF Response Taxpayer Previously Filed.
Taxpayer needs help determining income received.	Follow procedures in IRM 5.19.2.6.4.5.4, IMF Taxpayer Liable.
There is net tax due. Reminder: Always attempt to secure full payment with the return.	Follow procedures in IRM 5.19.2.6.4.5.4, IMF Taxpayer Liable.
The taxpayer indicates they cannot pay the balance due in full	Follow procedures in IRM 5.19.1.
The income meets the requirement for Little or No Tax Due.	Follow procedures in IRM 5.19.2.6.4.5.3.

- (6) **DO NOT** close return delinquency cases as unable to locate. Take the appropriate action per the chart below:

If ...	And ...	Then ...
	The TDI meets Automated Substitute for Return (ASFR) criteria as defined in IRM 5.19.2.6.4.3	Refer to ASFR.

#

If ...	And ...	Then ...
Fraud indications are present. See IRM 25.1, Fraud Handbook, for additional information	N/A	Refer to Examination or Fraud Detection Center. Follow procedures in IRM 5.19.2.6.4.1(2).
Referrals are not possible and related balance due modules exist (i.e., TDA/TDI combo)	Balance due modules have been closed with hardship CNC	Input TC 590 CC 27

5.19.18.5.10.4
(12-20-2024)

Passport Certification Inquiries

- (1) The IRS sends taxpayers a CP 508C to notify them of the certification of a seriously delinquent tax debt. The notice includes an IRS phone number the taxpayers can call to resolve their tax issues (e.g. enter an IA, OIC, or full pay) and have the certification reversed. For cases involving both FERDI and passport certification inquiries, answer general questions and resolve the case using normal FERDI case processing procedures.

Note: Do **not** transfer or provide the phone number to the Passport function until the balance due portion of the issue is resolved.

5.19.18.6
(05-25-2016)

Thrift Savings Plan Levy Pilot

- (1) On January 19, 2016, Headquarters Collection began a pilot on issuing Notices of Levy on the Thrift Savings Plan (TSP) accounts of Federal Employee/Retiree Delinquency Initiative (FERDI) taxpayers with balance due accounts in ACS. The pilot ended on May 20, 2016. The procedures in this section are no longer in effect and have been removed.

