REQUEST FOR RECORDS DISPOSITION AUTHORITY  
(See Instructions on reverse)  

TO: NATIONAL ARCHIVES and RECORDS ADMINISTRATION (NWML)  
8601 ADELPHI ROAD, COLLEGE PARK, MD 20740-6001  

1. FROM (Agency or establishment)  
Department of the Treasury  

2. MAJOR SUBDIVISION  
Internal Revenue Service  

3. MINOR SUBDIVISION  
Human Capital Office  
Special Processing Branch  

4. NAME OF PERSON WITH WHOM TO CONFER  
Daniel W. Bennett  
IRS Records Officer  
Teresa Carter, Chief, Special Processing  

5. TELEPHONE  
202-283-9359  
304-254-5941  

6. DATE RECEIVED  
1/14/09  

7. ITEM NO.  
8. DESCRIPTION OF ITEM OF PROPOSED DISPOSITION  
RCS 1.15.39 for Payrolling and Pay Administration Records (IRS)  
GRS 1 "I" exception  

Future Updates:  
- Adds new item to modify retention for IRS related Employee Levy and Garnishment Files  
- Adds new Item for Automated Garnishment System (GARNISH)  

(see attached)
Background:

The Hatch Act Amendments of 1993, enacted October 6, 1993, require the United States to honor garnishment orders or similar legal processes issued for the enforcement of commercial legal obligations of Federal employees. The public law is codified at 5 U.S.C. 5520a and became effective on February 3, 1994. The enabling regulation is 5 C.F.R. 582. Federal law now authorizes legal process against the pay of Federal employees for commercial obligations in accordance with State law. In this discussion, the term "commercial" obligations and garnishments do not include those for child support or alimony. Employees are subject to garnishment for child support and alimony obligations under the 5 C.F.R. 581. The Internal Revenue Code, modified by the Internal Revenue Service Restructuring and Reform Act (RRA) of 1998, ensures that IRS employees meet all financial obligations, including those to Federal, state and local taxing authorities, commercial entities, and court ordered child and alimony support. The IRS is obligated to report to TIGTA ethical issues involving IRS employees who do not meet their financial commitments. IRS employees can be reprimanded and even terminated for failure to file taxes and meet other tax and financial obligations. This standard is somewhat higher than those achieved by compliance with the Hatch Act alone.

During the last ten (10) years since passage of RRA 98 it has become increasingly clear to IRS records administrators that the established retention period for Levy and Garnishment Files (3 years) is insufficient to resolve a number of issues that arise post closing (and post-three years) after garnishment is terminated. The official closure of bankruptcy cases is very problematic as documentable evidence of fulfillment of financial obligations is lacking beyond a three year period. Labor Relations and TIGTA frequently require evidentiary information from employees who have satisfied financial obligations only to discover that the official case files have been destroyed. Quite often, through no fault of their own, employees discover that they are the subject of an outstanding lien or a collection action after fulfilling all of their obligations. Our examination of the issues involved has determined that an increase in the retention of these records from three (3) years to six (6) years (3) months, will allow us to align the requirements of all parties (employees, taxing entities, the Court, and Labor Relations) with the need to manage these records appropriately.

Description:

IRS Employee Levy and Garnishment Case Files

IR Form 668 or equivalent Notice of Federal Tax Lien, IR Form 668Z or equivalent Certificate of Release of Federal Tax Lien, IR Form 668C or equivalent Notice of Final Demand for Payment, similar state and local tax lien notifications and release orders, Court Orders and communications, status change slips, work papers, and other records relating to salary deductions, charges against Federal retirement accounts for payment of Federal, state, and local taxes, and other financial obligations including alimony, child support, and commercial debts owed by IRS employees.
TEMPORARY

DESTROY 6 years, 3 months after end of fiscal year in which garnishment is terminated or case is closed.

Description:

Automated Garnishment System (GARNISH)

The Automated Garnishment System (GARNISH) is a database-driven reporting function used to track all hard copy incoming documents in court-ordered garnishments for IRS employees. The database-driven reporting function can produce reports indicating the status of IRS employee wages for individuals that owe a liability (any debt owed outside of taxes). All system inputs are filed into IRS Employee Levy and Garnishment Case Files scheduled as Item 1&b. Although data can be printed from GARNISH, the system does not generate output reports. There is no manual or system documentation required to implement or use the database.

c. System Data:

Disposition: TEMPORARY. Destroy when 3 years older or when no longer needed for audit or operational purposes whichever is sooner. Recordkeeping data is appropriately scheduled under other authorities for BMF, BRTF, EITC, and IMF.