

Date of Approval: **January 19, 2021**

PIA ID Number: **5681**

SYSTEM DESCRIPTION

Enter the full name and acronym for the system, project, application and/or database.

Non-Bank Trustee, NBT

Is this a new system?

No

Is there a PCLIA for this system?

Yes

What is the full name, acronym and milestone of the most recent PCLIA?

Non-Bank Trustee, NBT, # 3200

What is the approval date of the most recent PCLIA?

1/31/2018

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

No

What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.

Tax Exempt Government Entities Investment Executive Steering Committee IESC

Current ELC (Enterprise Life Cycle) Milestones:

Operations & Maintenance (i.e. system is currently operational)

Is this a Federal Information Security Management Act (FISMA) reportable system?

No

GENERAL BUSINESS PURPOSE

What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

The main purpose of this system is to keep up to date records for claimants who act as non-bank trustees/custodians with respect to retirement plans. Revenue Procedure 2020-4 Section 3.07 and its successors require nonbank trustees/custodians of retirement plans to seek an approval letter ruling. The letter ruling determines that the applicant is qualified to act as a nonbank custodian pursuant to the requirements of § 1.408-2(e)(2) through (5) of the Income Tax Regulations. The Employee Plans function has jurisdiction over them to ensure they remain in compliance with Treasury Regulations Section 1.408-2(e) and Revenue Procedure 2020-4 Section 3.07. The IRS is required to maintain a list of approved non-bank trustees and custodians of pension plans, which is published publicly on irs.gov - as an NBT Announcement.

PII DETAILS

Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?

Yes

Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e. last 4 digits, etc.)?

Yes

What types of tax identification numbers (TIN) apply to this system?

Employer Identification Number

Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e. names, addresses, etc.)?

Yes

Specify the PII Elements:

Name
Mailing address
Phone Numbers
Standard Employee Identifier (SEID)

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

No

Are there other types of SBU/PII used in the system?

No

Cite the authority for collecting SBU/PII (including SSN if relevant).

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

Has the authority been verified with the system owner?

Yes

BUSINESS NEEDS AND ACCURACY

Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

SBU/PII is limited to that which is relevant to identify the specific NBT. EIN's are used for purposes of identification for the Non-Bank Trustee. The mailing address and phone numbers are needed if taxpayer contact is necessary. The employee name and SEID are used to identify the Tax Examiner, Agent or Manager who added/edited record.

How is the SBU/PII verified for accuracy, timeliness and completion?

A list of Non-Bank trustees/custodians is provided by Employee Plans Technical Section. The Employee Plans Technical section compiles the list from Nonbank Trustee approval letters. This list is cross checked for accuracy with other IRS systems such as Research & Inventory System EPCU (RISE), Returns Inventory and Classification System (RICS) and/or Integrated Data Retrieval System (IDRS) before being uploaded into the NBT database. Any updates or edits to the records in the database are also cross checked with other IRS systems before changes are made. In addition, validation rules are built into the database to ensure accuracy, timeliness and completeness of data.

PRIVACY ACT AND SYSTEM OF RECORDS

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.

Yes

Identify the Privacy Act SORN(s) that cover these records.

IRS 50.222 Tax Exempt/Government Entities (TE/GE) Case Management Records

IRS 24.046 Customer Account Data Engine Business Master File

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

Official Use Only

INCOMING PII INTERFACES

Does the system receive SBU/PII from other systems or agencies?

Yes

Does the system receive SBU/PII from IRS files and databases?

Yes

Enter the files and databases:

System Name: Reporting Compliance Case Management System

Current PCLIA: Yes

Approval Date: 10/14/2020

SA&A: No

Does the system receive SBU/PII from other federal agency or agencies?

No

Does the system receive SBU/PII from State or local agency (-ies)?

No

Does the system receive SBU/PII from other sources?

No

Does the system receive SBU/PII from Taxpayer forms?

No

Does the system receive SBU/PII from Employee forms (e.g. the I-9)?

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

Yes

Does this system disseminate SBU/PII to other IRS Systems?

Yes

Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

System Name: IRS.gov Website

Current PCLIA: No

SA&A: No

Identify the authority.

Treasury Regulation Section 1.408-2(e)

For what purpose?

If the requirements described in Treasury Regulations Sections 1.408-2(e)(2) - (e)(5)(viii)(F) are met, the NBT applicant will receive a written notice of approval. Annually, the Employee Plans Compliance Unit (EPCU) contacts the approved NBTs for an affirmation that the organization continues to serve as a nonbank trustee/custodian. The responses are used in the preparation of a Nonbank Trustee/Custodian List that will be published in the Cumulative Bulletin each February.

Does this system disseminate SBU/PII to other Federal agencies?

No

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

No

Does this system disseminate SBU/PII to other Sources?

No

PRIVACY SENSITIVE TECHNOLOGY

Does this system use social media channels?

No

Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?

No

Does the system use cloud computing?

No

Does this system/application interact with the public?

No

INDIVIDUAL NOTICE AND CONSENT

Was/is notice provided to the individual prior to collection of information?

No

Why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.

Revenue Procedure 2017-4 Section 3.07 requires nonbank trustees/custodians of retirement plans to seek an approval letter ruling. The letter ruling determines that the applicant is qualified to act as a nonbank custodian pursuant to the requirements of § 1.408-2(e)(2) through (5) of the Income Tax Regulations. Notice, consent and due process are provided pursuant to 5 USC.

Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?

No

Why not?

Revenue Procedure 2017-4 Section 3.07 requires nonbank trustees/custodians of retirement plans to seek an approval letter ruling. The letter ruling determines that the applicant is qualified to act as a nonbank custodian pursuant to the requirements of § 1.408-2(e)(2) through (5) of the Income Tax Regulations. Notice, consent and due process are provided pursuant to 5 USC.

How does the system or business process ensure 'due process' regarding information access, correction and redress?

Corrections made to the data are approved by the Project Manager and made by either the Project Manager or Tax Examiner. The NBT database process and procedures are dictated by the Internal Revenue Manual guidelines. IRS policy allows individuals whose data is in the system the opportunity to clarify or dispute negative determinations through the appeals process. Notice, consent and due process are provided pursuant to 5 USC.

INFORMATION PROTECTION

Identify the owner and operator of the system (could be IRS owned and Operated; IRS owned, contractor operated; contractor owned and operated).

IRS Owned and Operated

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Write

Managers: Read Write

System Administrators: Read Write

How is access to SBU/PII determined and by whom?

The NBT database is located on a secure shared server; each user must obtain permission to access the server folder to be able to use the database. Access to the server folder is approved by the System Administrator and controlled/maintained by Information Technology (Information Technology) through the OS GetServices system. Updates or corrections made to the data are approved by the Project Manager and made by either the Project Manager or Tax Examiner. The three levels of permissions are: Level 1, Tax Examiner/Agent; Level 2, Manager; and Level 3, Analyst.

RECORDS RETENTION SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?

Yes

How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.

All records housed in the NBT system will be erased or purged from the system in accordance with approved retention periods. Any records generated by the system will be managed according to requirements under Internal Revenue Manual 1.15.24 (RCS 24) item number 53 and will be destroyed by coordination with the IRS Records and Information Management Program and IRS Records Officer.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

No

Is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements?

Yes

Describe the system's audit trail.

The audit trail is maintained by IT and access is granted through the OS GetService. IT maintains records of individuals who have access to the shared server folder. NBT is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

This is an internally created Access database that did not follow an Information Technology (IT) path in development. The Business System Planning (BSP) office will be moving the NBT to an Enterprise solution, SharePoint. A test plan will be developed for this move.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

No

NUMBER AND CATEGORY OF PII RECORDS

Identify the number of individual records in the system for each category:

IRS Employees: Under 50,000

Contractors: Not Applicable

Members of the Public: Not Applicable

Other: Yes

Identify the category of records and the number of corresponding records (to the nearest 10,000).

Non-Bank Trustees 10,000

CIVIL LIBERTIES

Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?

No

Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?

No

Will this system have the capability to identify, locate, and monitor individuals or groups of people?

No

Does computer matching occur?

No

ACCOUNTING OF DISCLOSURES

Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax or Privacy Act consent?

No