

Edited Content Extracted from: section 707-711.docx

Section 707. Penalty Assessment

A penalty shall be imposed on any employer who fails to submit the Quarterly Report within the one-month filing period. The penalty will commence from the first day of lateness and is either \$250.00 or one hundred percent (100%) of the outstanding amount, whichever is greater. The assessment of the penalty will continue for each quarter the Quarterly Report remains outstanding, with a maximum penalty limit of \$2,000 per offence.

A penalty of \$2,000 will be applied for any employer that knowingly fails to report or remit contributions and/or submits a false statement or falsifies records to defraud or circumvent the SSA Law. This penalty will be imposed for each such offence committed by the employer.

If an employer files the Quarterly Report on time, pays contributions, and subsequently reports an underpayment and files a supplementary report to correct the error, no penalty will be assessed. However, interest will be charged on the underpayment.

Employers can request a waiver of penalties or other considerations in writing to the Administrator. The Administrator will decide if the request has merit. If the request is found to have merit or if it presents mitigating circumstances, the request will be presented to the Board at their next regularly scheduled meeting for consideration. The Board will make the final decision on waiver and/or changes to any penalties assessed.

Section 708. Penalty Waiver

Employers must submit a written request to the Social Security Administrator and the Board of Directors requesting a penalty waiver. The request should briefly describe any circumstances involving the employer or its business that have resulted in the assessment of penalties. The Administrator will complete a background check on the employer and make a written determination either approving or denying the penalty waiver.

The Administrator has the authority to act on the request for penalty waivers if the following four factors are met:

- * Consistent reporting and payment of contributions for the last 2 years;
- * No default judgment or unpaid contributions for the last 2 years;
- * No pending or outstanding audit of the employer at the time of the request; and
- * Consistent payment of delinquent contributions for the past 6 months under agreement.

Any request for penalty waivers outside of the Administrator's authority must be presented to the members of the Board for a decision.

Section 709. Collection Report

A collection report shall be completed when interest and penalties are assessed. Upon payment of a delinquent report, a collection report shall be made in duplicate, with one copy provided for the employer and the original copy retained by the Social Security files.

Section 710. Payment Agreements

The Administrator may enter into a Payment Agreement with any debtor of the Administration. The agreement should contain the following information:

- * Name of Owner and Business;
- * Employer Identification Numbers;
- * Social Security Numbers;
- * Principal, Interest, and Penalties;
- * Approximate Quarters of Delinquency;
- * Statement of Debt Liability Acknowledgment;
- * Amounts to be Paid and frequency of payments;
- * Results of Breach of Agreement;
- * Debtor Signature;
- * Administrator Signature;
- * Any other information as may be required by the Administrator.

All employers are aware they have an obligation to collect and pay Social Security taxes to the Social Security Administration. No debtor may enter into more than one payment plan in a 12-month period. Any additional debt/s incurred during this 12-month period must be paid off in full, including any penalties.

Section 711. Bounced Checks

The Administration may accept business or personal checks for the payment of any sums owed. The Administration reserves the right to refuse any check from any person, business, or financial institution. A bounced check shall be held for one quarter before being considered delinquent. When dealing with a bounced check, the Administration shall retain the following information:

- * Name of Person or Business;
- * Date Check Issued;
- * Amount of Check;

The Administration shall not accept a check from a person or business that has an outstanding bounced check until that amount has been paid in full. The Administration shall not accept a check from a person or business that has bounced two checks to the Administration.