

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 amount due, whichever is greater. The assessment of the penalty will continue for each quarter the Quarterly Report remains outstanding, with a total penalty limit of \$2,000 for each offence.

A penalty of \$2,000 will be applied for any employer who fails to report or remit contributions and/or knowingly makes a false statement or falsifies any records in an attempt to defraud or circumvent the SSA Law. This penalty will apply for each such offence made by the employer.

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

A request for waiver of penalties or other considerations must be submitted 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 provides mitigating circumstances, the request will be presented to the Board at their next regularly scheduled meeting for consideration. Waiver and/or changes to any penalties assessed shall be made at the discretion of the Board.

[Source 41 PNC § 772 & SSA By-laws]

Section 708. Penalty Waiver

An employer must submit a written request to the Social Security Administrator and the Board of Directors requesting a penalty waiver. The written request should briefly describe any circumstances involving the employer or his or her 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 (4) factors are met:

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

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

Penalty assessment and waivers for accounts under agreement:

An agreement for payment of delinquent account must be drafted by SSA collection attorney (by request), reviewed by supervisor, and approved by SS Administrator. The account is considered late and will continue to assess penalty on a monthly basis as set forth in the agreement. Any late filing as agreed by SSA under some form of agreement shall not be assessed a penalty if paid within the due date, otherwise a penalty is assessed.

Penalty waiver is considered every 6 months based on positive account performance. The Administrator will prepare a summary, which includes his or her written determination, and present such summary to the members of the Board for their approval. If the Board approves the penalty waiver (in full or in part), the Administrator will take the necessary steps to implement the penalty waiver. If the penalty waiver is denied, it will be put on the next Board meeting agenda for further and final discussion.

[Source 41 PNC § 772]

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. One copy shall be provided for the employer, and the original copy shall be retained for the Social Security files.

Section 710. Payment Agreements

The Administrator may enter into a Payment Agreement with any debtor of the Administration. Any Payment Agreement entered into shall contain the following information:

1. Name of Owner and Business.
2. Employer Identification Numbers.
3. Social Security Numbers.
4. Principal, Interest, and Penalties.
5. Approximate Quarters of Delinquency.
6. Statement of Debt Liability Acknowledgment.
7. Amounts to be Paid and frequency of payments.
8. Results of Breach of Agreement.
9. Debtor Signature.
10. Administrator Signature.

All employers are aware they have an obligation to collect and pay Social Security taxes to the Social Security Administration. Therefore, 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.

[Source 41 PNC § 711, § 712(d), § 724 & SSA By-laws]

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. Any person or entity that bounces a check to the Administration shall be assessed a returned check fee and/or interest. 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:

1. Name of Person or Business.
2. Date Check Issued.
3. 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 (2) checks to the Administration.