

Edited Content Extracted from: section 707-711.docx

PART VII. DELINQUENCY, DEBT COLLECTION, PENALTIES, & INTEREST CONTROL

Section 707. Penalty Assessment

1. A penalty will be imposed on any employer who fails to file the Quarterly Report within the one-month filing period. Penalties commence from the first day late beyond the due date. The penalty amount will either be \$250 or 100% of the amount due, whichever is greater.
2. The assessment of penalties will continue each quarter that the Quarterly Report remains outstanding, with a total penalty limit of \$2,000 for each offense.
3. A penalty of \$2,000 will be applicable for any employer who fails to report or remit contributions and/or knowingly makes a false statement or falsifies records in an attempt to defraud or circumvent the SSA Law. This penalty applies for each such offense committed by the employer.
4. If an employer has filed the Quarterly Report on time, paid contributions, and subsequently reports an underpayment and files a supplementary report to correct the error, no penalty will be assessed; however, interest on the underpayment will be charged.
5. A request for waiver of penalties or other considerations must be submitted in writing to the Administrator. The Administrator shall decide whether such request has merit. If the Administrator deems the request 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 will be made at the discretion of the Board.

[Source 41 PNC § 772 & SSA By-laws]

Section 708. Penalty Waiver

1. The 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 their business that have resulted in the assessment of penalties. The Administrator will conduct a background check on the employer and make a written determination either approving or denying the penalty waiver.
2. Penalty waivers under the Social Security Administrator's authority:
 - Consistent reporting and payment contribution for the last 2 years;
 - No default judgement or unpaid contributions for the last 2 years;
 - No pending or outstanding audit of the employer at the time of request;
 - Consistent payment of delinquent contributions for the past 6 months under agreement.

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

4. Penalty assessment and waivers for accounts under agreement:

- An agreement for payment of delinquent account must be drafted by the SSA collection attorney (by request), reviewed by a supervisor, and approved by the SS Administrator.
- The account will be considered late and will continue to assess penalties 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 due date; otherwise, a penalty is assessed.
- Penalty waiver is considered every 6 months based on positive account performance.
- The Administrator shall prepare a summary, which shall include 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 shall 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

1. 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 Social Security files.

[Source 41 PNC]

Section 710. Payment Agreements

1. The Administrator may enter into a Payment Agreement with any debtor of the Administration. Any Payment Agreement entered into shall 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.

2. 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

1. 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 will 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.

2. The Administration will 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 will not accept a check from a person or business that has bounced two (2) checks to the Administration.

[Source 41 PNC]