



DEPARTMENT OF VETERANS AFFAIRS

PRIVACY ACT OF 1974; MATCHING PROGRAM

AGENCY: Department of Veterans Affairs (VA).

ACTION: Notice of a modified matching program.

SUMMARY: This re-established computer matching agreement (CMA) sets forth the terms, conditions, and safeguards under which the Internal Revenue Service (IRS) will disclose return information, relating to unearned income, to the Department of Veterans Affairs (VA), Veterans Benefits Administration (VBA) for the Disclosure of Information to Federal, State and Local Agencies (DIFSLA). The purpose of this CMA is to make available to VBA certain return information needed to determine eligibility for, and amount of benefits for, VBA applicants and beneficiaries of needs- based benefits, and to adjust income-dependent benefit payments, as prescribed by law. Currently, the most cost effective and efficient way to verify annual income of applicants, and recipients of these benefits, is through a computer match.

DATES: Comments on this matching notice must be received no later than 30 days after date of publication in the Federal Register. If no public comment is received during the period allowed for comment, the re-established agreement will become effective July 1, 2018, provided it is a minimum of 30 days after the publication date. If VA receives public comments, VA shall review the comments

to determine whether any changes to the notice are necessary. This matching program will be valid for 18 months from the effective date of this notice.

ADDRESSES: Written comments may be submitted through

www.Regulations.gov; by mail or hand-delivery to Director, Regulation Policy and Management (00REG), Department of Veterans Affairs, 810 Vermont Ave. NW, Room 1064, Washington, DC 20420; or by fax to (202) 273-9026 (not a toll-free number). Comments should indicate that they are submitted in response to a CMA between the IRS and VBA for DIFSLA. Copies of comments received will be available for public inspection in the Office of Regulation Policy and Management, Room 1063B, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday (except holidays). Please call (202) 461-4902 for an appointment. (This is not a toll-free number.) In addition, comments may be viewed online at www.Regulations.gov.

FOR FURTHER INFORMATION CONTACT: Nancy C. Williams, Pension Analyst, Pension and Fiduciary Service (21P), Department of Veterans Affairs, 810 Vermont Ave., NW, Washington, DC 20420, (202) 461-8394.

SUPPLEMENTARY INFORMATION: CMA between VA and IRS DIFSLA, expires June 30, 2018. VBA has a legal obligation to reduce the amount of pension and of parents' dependency and indemnity compensation by the amount of annual income received by the VBA beneficiary. VA will use this information to

verify the income information submitted by beneficiaries in VA's needs-based benefit programs and adjust VA benefit payments as prescribed by law. By comparing the information received through the matching program between VBA and IRS, VBA will be able to timely and accurately adjust benefit amounts. The match information will help VBA minimize overpayments and deter fraud and abuse.

The legal authority to conduct this match is 38 U.S.C. 5106, which requires any Federal department or agency to provide VA such information as VA requests for the purposes of determining eligibility for benefits, or verifying other information with respect to payment of benefits.

The VA records involved in the match are in "Compensation, Pension and Education and Rehabilitation Records - VA (58 VA 21/22/28)," a system of records which was first published at 41 FR 9294 (March 3, 1976), amended and republished in its entirety at 77 FR 42593 (July 19, 2012).

The IRS records consist of information from the system records identified as will extract return information with respect to unearned income of the VBA applicant or beneficiary and (when applicable) of such individual's spouse from the Information Return Master File (IRMF), Treasury/IRS 22.061, at 80 FR 54081-082 (September 8, 2015).

In accordance with the Privacy Act, 5 U.S.C. 552a (o)(2) and (r), copies of the agreement are being sent to both Houses of Congress and to the Office of Management and Budget. This notice is provided in accordance with the provisions of Privacy Act of 1974 as amended by Public Law 100-503.

Participating Agencies: The Internal Revenue Service (IRS)

Authority for Conducting the Matching Program: The Privacy Act, 5 U.S.C § 552a, and 38 U.S.C § 6103 authorize VA to enter into this CMA with IRS.

Purpose(s): To re-establish a CMA with IRS to provide VBA with certain return information needed to determine eligibility for and amount of benefits for VBA applicants and beneficiaries of needs-based benefits and to adjust income-dependent benefit payments as prescribed by law.

Categories of Individuals: Veterans and beneficiaries who apply for VA income benefits.

Categories of Records: VBA will furnish the IRS with records in accordance with the current IRS Publication 3373, DIFSLA Handbook. The requests from VBA will include: the Social Security Number (SSN) and name Control (first four characters of the surname) for each individual for whom unearned income information is requested. IRS will provide a response record for each individual identified by VBA. The total number of records will be equal to or greater than the number of records submitted by VBA. In some instances, an individual may have more than one record on file. When there is a match of individual SSN and name control, IRS will disclose the following to VBA: payee account number; payee name and mailing address; payee TIN; payer name and address; payer

TIN; and income type and amount.

System(s) of Records: VBA records involved in this match are in “VA Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records – VA” (58 VA 21/22/28), a system of records that was first published at 41 FR 9294 (March 3, 1976), amended and republished in its entirety at 77 FR 42593 (July 19, 2012).

IRS will extract return information with respect to unearned income of the VBA applicant or beneficiary and (when applicable) of such individual’s spouse from the Information Return Master File (IRMF), Treasury/IRS 22.061, as published at 80 FR 54081-082 (September 8, 2015).

Signing Authority

The Senior Agency Official for Privacy, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. John Oswalt, Executive Director for Privacy, Department of Veterans Affairs approved this document on March 7, 2018 for publication.

Dated: April 6, 2018.

Kathleen M. Manwell,

Program Analyst,

VA Privacy Service,

Office of Privacy Information and Identity Protection,

Office of Quality, Privacy and Risk,

Office of Information and Technology,

Department of Veterans Affairs.

[FR Doc. 2018-07427 Filed: 4/10/2018 8:45 am; Publication Date: 4/11/2018]