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*By Electronic Transmission to Notice.Comments@irscounsel.treas.gov.*

April 30, 2010

Internal Revenue Service  
CC:PA:LPD:PR (Notice 2009-93)  
Room 5203, P.O. Box 7604  
Ben Franklin Station, N.W.  
Washington DC 20044

Re: *Notice 2009-93 (Truncating Social Security Numbers on Paper Payee Statements)*

The Investment Company Institute<sup>1</sup> applauds the IRS pilot program announced in Notice 2009-93 that allows information return filers to truncate an individual payee's nine-digit identifying number (typically, a social security number) on paper payee statements for Forms 1099, 1098, and 5498 for calendar years 2009 and 2010.

The Institute has long supported minimizing use of taxpayer identifying numbers on taxpayer forms.<sup>2</sup> We believe the pilot program was an important step towards minimizing situations in which taxpayers' identifying information may be misappropriated from tax forms.

There are more than 8,000 mutual funds in the United States, with more than 264 million shareholder accounts.<sup>3</sup> In our view, minimizing the use of the full social security number is one of the most effective ways to combat identity theft, and many mutual funds routinely mask, or have removed entirely, social

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<sup>1</sup> The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$11.66 trillion and serve almost 90 million shareholders.

<sup>2</sup> See ICI Recommendation to Industry Issue Resolution Program, dated August 28, 2009; ICI Letter to Michael Mundaca and Clarissa Potter from Mary Podesta of ICI, at \*3, dated May 29, 2009; ICI Letter to Michael Mundaca and Clarissa Potter from Keith Lawson and Karen Lau Gibian of ICI, at \*4, dated May 28, 2009; and ICI Letter to Douglas H. Shulman, Donald L. Korb and Eric Solomon, dated September 18, 2008.

<sup>3</sup> See Table 1 in Investment Company Institute, *2009 Investment Company Fact Book* (2009), available at [www.icifactbook.org](http://www.icifactbook.org). Number of shareholder accounts includes a mix of individual and omnibus accounts; data for funds that invest primarily in other mutual funds are excluded.

security numbers when they send confirmations, account statements, and other mailings to account holders.

Many mutual funds relied on the pilot program to truncate social security numbers on 2009 tax forms mailed to taxpayers. Based on anecdotal evidence from members' call centers, taxpayers seem to like the approach of the program. Call centers have not heard complaints about the truncated identifying numbers. By contrast, some members indicate that, if anything, in recent years, taxpayers had complained when they saw their full social security numbers on documents, tax forms included.

To enhance effectiveness of the program, we make the following recommendations:

1. The pilot program should be made permanent. Many financial institutions used the program in 2009, and wish to continue to do so. Because of uncertainty about the program's long-term status, however, some companies did not adopt the pilot program approach, in part, to avoid re-programming costs in the future.
2. Because of the positive reception of the program by financial institutions and taxpayers and its effectiveness in minimizing identity theft, the program should extend to all tax forms and documents that are furnished to taxpayers. It should also extend to employer identification numbers (EINs).
3. To be more effective, the program should extend to taxpayer statements that are provided electronically. Our members indicate that taxpayers often print forms that are received electronically. Because they may misplace the printed forms or print them in a public place (e.g., library), masking the identifying number should help minimize the risk that their personal information will be misappropriated.
4. The program should remain voluntary. We expect mutual funds generally to truncate social security numbers on forms, but the IRS should provide flexibility for those with unique client bases or other considerations that may make masking unnecessary.
5. The program should allow the payor the option to mask the entire taxpayer identifying number. As we previously have stated, we believe masking the full number is one of the most effective ways to combat identity theft.<sup>4</sup> Should the IRS preserve the partial truncation method in the final program, we recommend that it continue to permit masking the first five digits of an identifying number and leaving the last four digits visible.

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<sup>4</sup> See *supra* note 2.

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6. IRS should not add a new requirement that a filer must provide the complete identifying number on the payee statement if the payee requests it. The pilot program does not include this requirement. In our view, the pilot program strikes the correct balance in apprising taxpayers of the information payors are filing with IRS while, at the same time, minimizing the possibility that thieves can misappropriate this information.

Should you have any questions about our recommendations, please contact the undersigned at (202) 218-3573 or [adriggs@ici.org](mailto:adriggs@ici.org).

Sincerely,

/s/ Anna Driggs

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