COMPLETING IRS FORM 2159 – PAYROLL DEDUCTION AGREEMENT FOR STATE OF NC EMPLOYEES/EMPLOYERS

General Information

PROCESS TITLE: Procedure for Completing IRS Form 2159 – Payroll Deduction Agreement

PROCESS OBJECTIVE: To provide instructions on completing IRS Form 2159 to initiate a payment installment agreement with the IRS through payroll deduction.

FREQUENCY: Whenever the IRS grants an employee the opportunity to enter into a payroll deduction installment payment agreement.

An employee may contact the Internal Revenue Service (IRS) to request the installation of a payment agreement to avoid seizure of assets through frozen bank accounts, tax levies, etc. If granted, the IRS will send the employee a letter explaining the terms of the agreement and a three-part paper, Form 2159 – Payroll Deduction Agreement, which must be completed by the employee and BEST Shared Services and then sent to the IRS.

An image (front and back) of the form is located at the end of this document.

Completion of the form begins with the employee, and the steps are detailed below.

Employee Responsibility

When the employee receives the letter and form, the employee should perform the following steps:

- If the form was received through the mail, make a copy of the accompanying IRS letter. The employee MUST send a copy of the IRS letter to BEST Shared Services because it contains the address to which the form is to be mailed as well as remittance instructions and contact information
- Complete the employee section of Form 2159 and send the completed form to BEST Shared Services.

The fields on the form that the employee must complete are listed below:
<table>
<thead>
<tr>
<th>Box Labeled As:</th>
<th>Instructions for Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regarding</strong>: <em>(Taxpayer name and address)</em></td>
<td>Print your name and mailing address. <em>(The IRS will mail the final form to the address shown in this box).</em></td>
</tr>
<tr>
<td>Social security or employer identification number</td>
<td>Write your social security number in this box.</td>
</tr>
<tr>
<td><em>(Taxpayer)</em></td>
<td></td>
</tr>
<tr>
<td>Your telephone number <em>(Include area code)</em></td>
<td>Write your home and work telephone numbers in this box. <em>(These numbers will become the IRS’s contact information.)</em></td>
</tr>
<tr>
<td><em>(Home)</em></td>
<td></td>
</tr>
<tr>
<td><em>(Work)</em></td>
<td></td>
</tr>
<tr>
<td>Kinds of taxes <em>(Form numbers)</em></td>
<td>Write the form number that indicates the kind of taxes you owe. The form number is printed on the IRS letter you received. <em>(For example, income taxes are reported on form 1040)</em></td>
</tr>
<tr>
<td>Tax Periods</td>
<td>Write the years for which you owe taxes. <em>(This information is also provided in the IRS letter you received. Month and day are not required, only the year.)</em></td>
</tr>
<tr>
<td>Amount owed as of ________________________________</td>
<td>Write the date shown on the letter that you received from the IRS.</td>
</tr>
<tr>
<td>$ __________ , plus all penalties and interest provided by law.</td>
<td>Using the letter from the IRS, write the amount you owe to the IRS.</td>
</tr>
<tr>
<td>I am paid every*: <em>(Check one)</em>:</td>
<td>If you are a biweekly employee, check the “TWO WEEKS” box.</td>
</tr>
<tr>
<td>If you are a monthly employee, check the “MONTH” box.</td>
<td>If you are required to pay a $105.00 user fee on the first deduction, and the installment amount is less than the fee, then write this requirement in the last field. If not, then leave this field blank.</td>
</tr>
<tr>
<td>I agree to have $ _______ deducted from my wage or salary payment beginning __________ until the total liability is paid in full. I also agree and authorize this deduction to be increased or decreased as follows:</td>
<td>Write the amount you agreed to have deducted from your pay and the date the deduction is to begin.</td>
</tr>
<tr>
<td>If your agreement with the IRS states that the deduction amount will change in the future, then indicate the change in the fields noted below. If no changes were negotiated, leave the fields shown below blank:</td>
<td>If you are required to pay a $105.00 user fee on the first deduction, and the installment amount is less than the fee, then write this requirement in the last field. If not, then leave this field blank.</td>
</tr>
<tr>
<td>Date of increase <em>(or decrease)</em></td>
<td>Write the date the deduction amount change should begin. If no change is planned, then leave this field blank.</td>
</tr>
<tr>
<td>Amount of increase <em>(or decrease)</em></td>
<td>Write the amount of the change. If the amount is a decrease, put parentheses around the amount. If no change is planned, then leave this field blank.</td>
</tr>
<tr>
<td>New installment payment amount</td>
<td>Write the new deduction amount. If no change is planned, then leave this field blank.</td>
</tr>
</tbody>
</table>
Your signature | Sign the document just below the words “Your signature.”
---|---
Date | Write the date you signed the form in the “Date” field to the right of your signature.

This form and instructions apply only to employees/employers of the State of North Carolina whose payrolls are processed through the BEACON Human Resource/Payroll System. If you are not associated with the State of North Carolina, you should research the following website to determine the appropriate location to which your Form 2159 and related payments should be mailed:


If you are an employee/employer for the State of NC, and once the form is completed, retain a copy of the form and forward the entire original three-part form with the IRS agreement letter to:

BEST Shared Services  
Garnishment Processing  
1425 Mail Service Center  
Raleigh NC  27699-1425

**Employer Responsibility**

BEST Shared Services will complete the *Employer* portion of the form and submit the entire three-part form to the address provided on the IRS letter. If the form was not sent to the employee by mail, then BEST will send it to the location listed in the *For Assistance* box. A copy will be retained as documentation to support processing the installment payment through BEACON.

**IRS Responsibility**

The IRS will examine and approve the form. Once completed, they should send *Part 2 – Employer’s Copy* to BEST Shared Services and *Part 3 – Taxpayer’s Copy* to the employee.

Detail steps for completing the “employee” sections of the form follow.
Write the employee’s name and mailing address in the box circled below.
Write the employee’s social security number in the box circled below.
Write the employee’s home and work telephone numbers in the box shown below. These numbers will become the IRS’s contact information for the employee.
Write the form number that indicates the kind of taxes the employee owes in the box circled below. The form number is printed on the IRS letter the employee received. (For example, income taxes are reported on Form 1040.)

<table>
<thead>
<tr>
<th>Form 2159 (Rev January 2007)</th>
<th>Department of the Treasury — Internal Revenue Service</th>
<th>Payroll Deduction Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(See Instructions on the back of this page.)</td>
<td></td>
</tr>
</tbody>
</table>

**Terms of this agreement** — By completing and submitting this agreement, you authorize the IRS to pay from your wages or salary the amount you authorize to be withheld. The IRS will send you a receipt of the amounts withheld. You may change the tax amounts withheld at any time by filing a new tax form. (For example, Form 4159, Employee’s Notice of Change of Address.)

**Additional Terms (to be completed by IRS)**

<table>
<thead>
<tr>
<th>Your signature</th>
<th>Title (if Corporate Officer or Partner)</th>
<th>Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Spouse’s signature (if a joint return)</th>
<th>Date</th>
</tr>
</thead>
</table>

**Agreement examined or approved by (Signature, title, function)**

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
</table>

---

<table>
<thead>
<tr>
<th>FOR IRS USE ONLY</th>
<th>AGREEMENT LOCATOR NUMBER:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check the appropriate boxes:</td>
<td></td>
</tr>
<tr>
<td>RSI &quot;S&quot; FPIA IMF 2 year review</td>
<td>At &quot;S&quot; Not a FPIA</td>
</tr>
<tr>
<td>RSI &quot;F&quot; FPIA IMF 2 year review</td>
<td>At &quot;F&quot; FPIA</td>
</tr>
<tr>
<td>RSI &quot;S&quot; FPIA IMF 2 year review</td>
<td>At &quot;S&quot; All other FPIAs</td>
</tr>
<tr>
<td>Agreement Review Cycle:</td>
<td></td>
</tr>
<tr>
<td>Earliest CSED:</td>
<td></td>
</tr>
</tbody>
</table>

**A NOTICE OF FEDERAL TAX LIEN** (Check one box.)

<table>
<thead>
<tr>
<th>WILL BE FILED IMMEDIATELY</th>
</tr>
</thead>
<tbody>
<tr>
<td>WILL BE FILED WHEN TAX IS ASSESSED</td>
</tr>
<tr>
<td>MAY BE FILED IF THIS AGREEMENT DEFAULTS</td>
</tr>
</tbody>
</table>

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Write the years for which the employee owes taxes in the box circled below. This information is also provided in the IRS letter the employee received. Month and day are not required, only the year. (For example, if the employee is making installment payments for delinquent taxes from the years 2008 and 2009, then write 2008, 2009 in the appropriate box.)

<table>
<thead>
<tr>
<th>Date of Increase (or decrease)</th>
<th>Amount of Increase (or decrease)</th>
<th>New Installment payment amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Terms of this agreement—By completing and submitting this agreement, you (the taxpayer) agree to the following terms:

- You will make each payment so that you will receive it by the monthly due date stated in the front of this form, if you cannot make a scheduled payment, contact us immediately.
- This agreement is based on your current financial condition. We may modify or terminate this agreement if we determine that your ability to pay has significantly changed. You must provide updated financial information when requested.
- The agreement is a debt that you must fulfill before you can be considered tax free. You must pay all federal tax returns and any federal tax on time.
- We will apply your federal tax refunds or overpayments (if any) to the amount you owe until it is fully paid.
- You must pay a $100 user fee, which we have authority to deduct from your first payment.
- If you default on your installment agreement, you must pay a 5% reinstatement fee if we reinstate the agreement. We have the authority to deduct this fee from your first payment(s) after the agreement is reinstated.
- We will apply all payments on this agreement in the best interest of the United States.
- You may terminate your installment agreement if:
  - We do not receive monthly installment payments as agreed.
  - You do not pay any other federal tax when due.
  - You do not provide financial information when requested.
- If you terminate your agreement, we may collect the entire amount you owe by levy on your income, bank accounts or other assets, or by seizing your property.
- We may terminate this agreement at any time if we believe that collection of the tax is in jeopardy.
- This agreement may require managerial approval. We will notify you when we approve or disapprove the agreement.

Additional Terms (to be completed by IRS)

<table>
<thead>
<tr>
<th>Your signature</th>
<th>Title of Corporate Officer or Partner</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPOUSE’S signature (if a joint liability)</td>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>

Agreement executed and approved by (Signature, Title, Function) | Date |

FOR IRS USE ONLY:

<table>
<thead>
<tr>
<th>AGREEMENT LOCATOR NUMBER:</th>
<th>(Check the appropriate boxes):</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRS “S” PPA IMF 2 year review</td>
<td>R “1” Not a PPA</td>
</tr>
<tr>
<td>IRS “S” PPA IMF 2 year review</td>
<td>R “1” Field Based PPA</td>
</tr>
<tr>
<td>IRS “S” PPA IMF 2 year review</td>
<td>R “2” All other PPAs</td>
</tr>
<tr>
<td>Agreement Review Cycle:</td>
<td>Earliest CASE:</td>
</tr>
</tbody>
</table>

A NOTICE OF FEDERAL TAX LIEN |

WILL BE FILED IMMEDIATELY |

WILL BE FILED WHEN TAX IS ASSESSED |

MAY BE FILED IF THIS AGREEMENT DEFAULTS |

Form 2159 (Rev. 1-2007)
Write the date of the IRS letter in the first section of the box circled below. Write the total amount due per the IRS letter in the second section of the box circled below.
Checkmark the appropriate box in the section circled below. If the employee is a biweekly employee mark “TWO WEEKS”. If the employee is paid monthly, check “MONTH”.

<table>
<thead>
<tr>
<th>TO: (employer name and address)</th>
<th>Regarding: (taxpayer name and address)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Person’s Name:</td>
<td>Social security or employer identification number (taxpayer)</td>
</tr>
<tr>
<td>Telephone (inclusive area code)</td>
<td>(TIN)</td>
</tr>
<tr>
<td>EMPLOYER—See the instructions on the back of Part 2. The taxpayer identified above on the right named you as an employer. Please read and sign the following statement to agree to withhold amounts from the taxpayer’s compensation in wages or salary to apply to taxes owed. I agree to participate in this payroll deduction agreement and will withhold the amount shown below from each wage or salary payment due to this employee. I will send the money to the Internal Revenue Service every: (Check one box:)</td>
<td></td>
</tr>
<tr>
<td>WEEK</td>
<td>TWO WEEKS</td>
</tr>
<tr>
<td>Amount owed so far</td>
<td>$</td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
<tr>
<td>KINDS OF TAXES (Form numbers):</td>
<td>Two Periods:</td>
</tr>
<tr>
<td>Date of increase (or decrease):</td>
<td>Amount of increase (or decrease):</td>
</tr>
<tr>
<td>New installment payment amount:</td>
<td></td>
</tr>
<tr>
<td>Terms of this agreement: By completing and submitting this agreement, you (the taxpayer) agree to the following terms:</td>
<td></td>
</tr>
<tr>
<td>You will make each payment so that we (IRS) receive it by the monthly due date stated on the front of this form. If you cannot make a scheduled payment, contact us immediately.</td>
<td></td>
</tr>
<tr>
<td>This agreement is based on your current financial condition. We may modify or terminate this agreement if our information shows that your ability to pay has significantly changed. You must provide updated financial information when requested.</td>
<td></td>
</tr>
<tr>
<td>While this agreement is in effect, you must file all federal tax returns and pay any deferred taxes you owe on time.</td>
<td></td>
</tr>
<tr>
<td>We will apply your federal tax refund or overpayments (if any) to the amount you owe until it is fully paid.</td>
<td></td>
</tr>
<tr>
<td>You must pay a $105 user fee, which we have authority to deduct from your first payment.</td>
<td></td>
</tr>
<tr>
<td>If you default on your installment agreement, you may pay a $50 reinstatement fee if we reinstate this agreement. We have the authority to deduct this fee from any refund or overpayment.</td>
<td></td>
</tr>
<tr>
<td>Additional Terms (to be completed by IRS)</td>
<td></td>
</tr>
<tr>
<td>Note: Internal Revenue Service employees may contact third parties in order to process and maintain this agreement.</td>
<td></td>
</tr>
<tr>
<td>Your signature:</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
<tr>
<td>Spouse’s signature (if a joint return):</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
<tr>
<td>Agreement examined and approved by (Signatory, title, function):</td>
<td></td>
</tr>
<tr>
<td>Date:</td>
<td></td>
</tr>
</tbody>
</table>

Part 1. Acknowledgement Copy (Return to IRS)

Form 2159 (Rev. 1-2007)
Write the amount of the installment deduction that the IRS agreed to in their letter. If the amount is expressed as a monthly deduction and the employee is a biweekly employee, then the correct amount per pay period is calculated as follows:

Monthly Amount X 12 Months / 26 Biweekly Periods

Write the amount to be deducted each pay period in the field circled below:
Write the date that the first payment is due in the circled area below. This due date is provided in the IRS letter the employee received.
The IRS charges a $105.00 one-time fee for an installment agreement. If the employee has not already paid this fee prior to completing Form 2159, then the fee is deducted from the first payment by the IRS.

- If the installment payment amount is less than $105.00, the employee must note on the form that the first deduction must be for $105.00. Write "**First deduction is for $105.00**" in the field circled below.

- However, if the installment amount is equal to or greater than $105.00, or the employee has already paid the fee, then leave the field circled below blank.
If the agreement with the IRS states that the deduction amount will change in the future, and the amounts as well as effective dates are noted in the IRS letter, write these changes in the sections circled below. If there are not enough rows on the form to accommodate the changes, then the garnishment processing team will use the information in the IRS letter to key the deduction amounts and the appropriate effective dates. The columns are:

| Date of increase (or decrease) | Amount of increase (or decrease) | New installment payment amount |

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**PAYROLL**

**Form 2159**

<table>
<thead>
<tr>
<th>Date of increase (or decrease)</th>
<th>Amount of increase (or decrease)</th>
<th>New installment payment amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**PAYROLL Deduction Agreement**

**Date:**

<table>
<thead>
<tr>
<th>Kinds of taxes (Form numbers)</th>
<th>Tax Periods</th>
<th>Amount owed as of</th>
<th>$</th>
<th>plus all penalties and interest provided by law</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Terms of this agreement**—By completing and submitting this agreement, you (the taxpayer) agree to the following terms:

1. You will make each payment so that we (IRS) receive it by the monthly due date stated on the front of this form. If you cannot make a scheduled payment, contact us immediately.
2. This agreement is based on your current financial condition. We may modify or terminate this agreement if our information shows that your ability to pay has significantly changed. You must provide updated financial information when requested.
3. While this agreement is in effect, you must file all federal tax returns and pay any federal taxes you owe on time.
4. We will apply your federal tax refunds or overpayments (if any) to the amount you owe until it is fully paid.
5. You must pay a $105 user fee, which we have authority to deduct from your first payment.
6. If you default on your installment agreement, you must pay a $40 reinstatement fee at the time of reinstatement, or if we reinstate this agreement, we have the authority to do so.

**Additional Terms (to be completed by IRS)**

<table>
<thead>
<tr>
<th>Your signature</th>
<th>Title (If Corporate Officer or Partner)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spos’s signature (If a joint return)</td>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>

**Agreement examined and approved by**—

<table>
<thead>
<tr>
<th>Organization that examined and approved agreement</th>
<th>Date</th>
</tr>
</thead>
</table>

**A Notice of Federal Tax Lien**

<table>
<thead>
<tr>
<th>IRS USE ONLY</th>
<th>Aims to be Filled</th>
<th>FTC will be Filed When Tax is Assessed</th>
<th>FTC will be Filed Immediately</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRS USE ONLY</td>
<td></td>
<td><strong>FTC</strong></td>
<td></td>
</tr>
<tr>
<td>IRS USE ONLY</td>
<td></td>
<td><strong>FTC</strong></td>
<td></td>
</tr>
<tr>
<td>IRS USE ONLY</td>
<td></td>
<td><strong>FTC</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

**Form 2159 (Rev. 1-2007)**
Once all the fields have been completed, sign the document in the area shown below. Form 2159 will not be processed if the employee has not signed the document.
Write the date the form was signed in the field circled below:

![Form Image]

**Date:**

**Signature:**

**Title:** (If Corporate Officer or Partner)

**Date:**

**Note:** Internal Revenue Service employees may contact their parties in order to process and maintain this agreement.
When the employee has completed the form, all three parts of the form AND the IRS letter must be sent to the Garnishment Team at BEST Shared Services:

BEST Shared Services  
Attn: Garnishment Processing  
1425 Mail Service Center  
Raleigh, NC  27699-1425

Front and back images of Form 2159 – Payroll Deduction Agreement are provided on the following pages.
**PAYROLL**

**Department of the Treasury — Internal Revenue Service**

**Payroll Deduction Agreement**

*TO:* (Employer name and address)  

*Regarding:* (Taxpayer name and address)

Contact Person's Name  

**Telephone (Include area code):**

Social security or employer identification number  

(Taxpayer)  

(Spouse)

**EMPLOYER—See the instructions on the back of Part 1.** The taxpayer identified above on the right named you as an employer. Please read and sign the following statement to agree to withhold amount(s) from the taxpayer's (employee's) wages or salary to apply to taxes owed:

I agree to participate in this payroll deduction agreement and will withhold the amount shown below from each wage or salary payment due this employee.

I will send the money to the Internal Revenue Service every: (Check one box.)

☐ WEEK  ☐ TWO WEEKS  ☐ MONTH  ☐ OTHER (Specify)

Signed:

Title:  

Date:  

Kinds of taxes (Form numbers)  

Tax Periods  

Amount owed as of  

$  

plus all penalties and interest provided by law.

I am paid every: (Check one):  

☐ WEEK  ☐ TWO WEEKS  ☐ MONTH  ☐ OTHER (Specify)

I agree to have $_________ deducted from my wage or salary payment beginning ________________ until the total liability is paid in full. I also agree and authorize this deduction to be increased or decreased as follows:

<table>
<thead>
<tr>
<th>Date of Increase (or decrease)</th>
<th>Amount of Increase (or decrease)</th>
<th>New Installment payment amount</th>
</tr>
</thead>
</table>

**Terms of this agreement—By completing and submitting this agreement,** you (the taxpayer) agree to the following terms:

- You will make each payment so that we (IRS) receive it by the monthly due date stated on the front of this form. **If you cannot make a scheduled payment, contact us immediately.**
- This agreement is based on your current financial condition. We may modify or terminate the agreement if our information shows that your ability to pay has significantly changed. You must provide updated financial information when requested.
- While this agreement is in effect, you must file all federal tax returns and pay all (including) taxes you owe on time.
- We will apply your federal tax refunds or overpayments (if any) to the amount you owe until it is fully paid.
- You must pay a $105 user fee, which we have authority to deduct from your first payment(s).
- If you default on your installment agreement, you must pay a $45 reinstatement fee if we reinstate the agreement. We have the authority to deduct this fee from your first payment(s) after the agreement is reinstated.
- We will apply all payments on this agreement in the best interests of the United States.
- We can terminate your installment agreement if:
  - You do not make monthly installment payments as agreed.
  - You do not pay any other federal tax debt when due.
  - You do not provide financial information when requested.
- If we terminate your agreement, we may collect the entire amount you owe by levy on your income, bank accounts or other assets, or by seizing your property.
- We may terminate this agreement at any time if we find that collection of the tax is in jeopardy.
- This agreement may require managerial approval. We'll notify you when we approve or don't approve the agreement.

**Additional Terms (To be completed by IRS)**

Your signature  

Title (# Corporate Officer or Partner)  

Date  

Spouse's signature (if a joint liability)  

Date  

Agreement examined and approved by: (Signature, title, function)  

Date  

---

**FOR IRS USE ONLY:**

| AGREEMENT LOCATOR NUMBER:  
| Check the appropriate boxes:  
|  
| ☐ RSI "1" no further review  
| ☐ RSI "5" PPIA IMF 2 year review  
| ☐ RSI "6" PPIA IMF 2 year review  
| ☐ RSI "7" PPIA IMF 2 year review  
| ☐ RSI "8" PPIA IMF 2 year review  
| ☐ AI "0" Not a PPA  
| ☐ AI "1" Field Asset PPIA  
| ☐ AI "2" All other PPIA  

Agreement Review Cycle: _____________________________

Earliest CSED: _____________________________

[ ] Check box if pre-assessed modules included

**A NOTICE OF FEDERAL TAX LIEN (Check one box.**

☐ HAS ALREADY BEEN FILED  

☐ WILL BE FILED IMMEDIATELY  

☐ WILL BE FILED WHEN TAX IS ASSESSED  

☐ MAY BE FILED IF THIS AGREEMENT DEFAULTS

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Part 1—Acknowledgement Copy (Return to IRS)  

Catalog No. 21475H  

www.irs.gov  

Form 2159 (Rev. 1-2007)
Agreement Locator Number Designations

XX Position (the first two numbers) denotes either the initiator or Type of Agreement. The XX values are:

00 Form 433-D initiated by AO on an ACS case
01 Service Center and Toll-free initiated agreements
02 AG Field Territory (revenue office) initiated agreements
03 Direct Debit agreements initiated by any function
05 Exam initiated agreements
07 Submission Processing initiated agreements
08 Agreements initiated by other functions
11 Form 2155 agreement initiated by AO or ACS
12 AO or ACS agreement with multiple conditions
29 Status 22/24 accounts – Call Site/SCCB
90 SCCB initiated agreements – other than status 22 or 24
91 Form 2155 agreement initiated by SCCB
92 SCCB agreement with multiple conditions
99 Up to 120 days extensions

YY Position (the second two numbers) denotes Conditions Affecting the Agreement. The YY values are:

03 Continuous Wage Levy (from ACS and R0)
09 All other conditions
11 One year rule (case for specific RAI/DUE/HRB module agreements)
15 In Business Trust Fund (IBTF) monitoring required
27 Restricted Interest/Penalty condition present
31 Unassessed modules to be included in agreement
36 Streamlined agreements, less than 60 months, up to $25,000
41 BMF in Business Deferral Level (SCCB USE ONLY)
53 Report Currently Non Collectible (CCN) if agreement defaults
63 Cross-reference TIN (Status 63)
66 File lien in event of default
78 Secondary TP responsible for Joint Liability
88 Review and revise payment amount
99 Up to 120 days extensions

When an agreement has more than one condition, use either 12 or 92 in the 'XX' position and assign the primary condition (YY) based on the following priorities:

#1-53, #2-38, #3-27, or #4-15

The remaining multiple conditions will be input as a history item on IDR/SCCB. For example, to construct a history item to record an unassessed module, use the following format:

UM309312 (Unassessed module, MFT 30, 0312 Tax Period); or
UMFILE LIEN (unassessed module, file lien, if appropriate)

Installment Agreement Origination Codes

20 Collection field function regular agreement
21 Collection field function streamlined agreement
30 Reserved
31 Reserved
50 Field assistance regular agreement
51 Field assistance streamlined agreement
58 Field Assistance ICS – regular agreement
59 Field Assistance ICS – streamlined agreement
60 Examination regular agreement
61 Examination streamlined agreement
70 Toll-free regular agreement
71 Toll-free streamlined agreement
72 Paper regular agreement
73 Paper streamlined agreement
74 Voice Response Unit (system generated)
75 Automated Collection Branch regular
76 Automated Collection Branch streamlined
77 Automated Collection Branch Voice Response Unit regular (system generated)
78 Automated Collection Branch Voice Response Unit streamlined (system generated)
80 Other function regular agreement
81 Other function-streamlined agreement
90-91 Reserved for vendors – all streamlined agreements
Form 2159  
(Rev. January 2007)  

Department of the Treasury — Internal Revenue Service  
Payroll Deduction Agreement  
(See Instructions on the back of this page.)

TO: (Employer name and address)  

Contact Person’s Name:  
Telephone (include area code):  

EMPLOYER—See the instructions on the back of Part 2. The taxpayer identified below is dependent on the employer. Please read and sign the following statement to agree to withhold amount(s) from the taxpayer’s wages or salary to apply to taxes owed. I agree to participate in this payroll deduction agreement and will withhold the amount shown below from each wage or salary payment due this employee. I will send the money to the Internal Revenue Service every (check one box): □ WEEK □ TWO WEEKS □ MONTH □ OTHER (Specify):  

Signed:  

Date:  

Amount owed as of $ ___________ plus all penalties and interest provided by law.  

I am paid every: (check one): □ WEEK □ TWO WEEKS □ MONTH □ OTHER (Specify):  

I agree to have $ ___________ deducted from my wage or salary payment beginning _________ until the total liability is paid in full. I also agree and authorize this deduction to be increased or decreased as follows:  

<table>
<thead>
<tr>
<th>Date of increase (or decrease)</th>
<th>Amount of increase (or decrease)</th>
<th>New installment payment amount</th>
</tr>
</thead>
</table>

Terms of this agreement—By completing and submitting this agreement, you (the taxpayer) agree to the following terms:  

• You will make each payment so that we (IRS) receive it by the 15th of the month following the due date stated on the front of this form. If you cannot make a scheduled payment, contact us immediately.  

• The agreement is based on your current financial condition. We may modify or terminate the agreement if our information shows that your ability to pay has significantly changed. You must provide updated financial information when requested.  

• While this agreement is in effect, you must file all federal tax returns and pay any (Federal) taxes you owe on time.  

• We will apply your federal tax refunds or overpayments (if any) to the amount you owe until it is fully paid.  

• You must pay a $105 user fee, which we have authority to deduct from your first payment(s).  

• If you default on your installment agreement, you must pay a $45 reinstatement fee if we reinstate the agreement. We have the authority to deduct this fee from your first payment(s) after the agreement is reinstated.  

• We will apply all payments on this agreement in the best interest of the United States.  

• We can terminate your installment agreement if:  

  • You do not make monthly installment payments as agreed.  
  • You do not pay any other federal tax due when due.  
  • You do not provide financial information when requested.  
  • If we terminate your agreement, we may collect the entire amount you owe by levy on your income, bank accounts or other assets, or by seizing your property.  
  • We may terminate this agreement at any time if we find that collection of the tax is in jeopardy.  
  • This agreement may require managerial approval. We’ll notify you when we approve or don’t approve the agreement.  

Additional Terms (To be completed by IRS)  

Note: Internal Revenue Service employees may contact third parties in order to process and maintain this agreement.  

Your signature:  

Title (if Corporate Officer or Partner):  

Date:  

Spouse’s signature (if a joint liability):  

Date:  

Agreement examined or approved by (Signature, title, function):  

Date:  

__________  

FOR IRS USE ONLY:  

AGREEMENT LOCATOR NUMBER:  

Check the appropriate boxes:  

□ RSI “1” no further review  
□ RSI “2” PPA BMF 2 year review  
□ RSI “6” PPA BMF 3 year review  
□ All “0” not a PPA  
□ All “1” field asset PPA  
□ All “2” all other PPAs  

Agreement Review Cycle: □  

Earliest CSED: □  

Check box if pre-assessed modules included  

A NOTICE OF FEDERAL TAX LIEN (Check one box)  

HAS ALREADY BEEN FILED  
WILL BE FILED IMMEDIATELY  
WILL BE FILED WHEN TAX IS ASSESSED  
MAY BE FILED IF THIS AGREEMENT DEFAULTS  

Form 2159 (Rev. 1-2007)  

Catalog No. 21475H  

www.irs.gov  

06.19.13  
NC OSC HR/Payroll Training  
Page 20 of 23
INSTRUCTIONS TO EMPLOYER

This payroll deduction agreement requires your approval. If you agree to participate, please complete the spaces provided under the employer section on the front of this form.

WHAT YOU SHOULD DO

- Enter the name and telephone number of a contact person. (This will allow us to contact you if your employee's liability is satisfied ahead of time.)

- Indicate when you will forward payments to IRS.

- Sign and date the form.

- After you and your employee have completed and signed the form, please return it (all parts) to IRS. Use the IRS address on the letter the employee received with the form or the address shown on the front of the form.

HOW TO MAKE PAYMENTS

☐ Please deduct the amount your employee agreed with the IRS to have deducted from each wage or salary payment due the employee.

☐ Make your check payable to the “United States Treasury.” To insure proper credit, please write your employee’s name and social security number on each payment.

☐ Send the money to the IRS mailing address printed on the letter that came with the agreement. Your employee should give you a copy of this letter. If there is no letter, use the IRS address shown on the front of the form.

Note: The amount of the liability shown on the form may not include all penalties and interest provided by law. Please continue to make payments unless IRS notifies you that the liability has been satisfied. When the amount owed, as shown on the form, is paid in full and IRS hasn’t notified you that the liability has been satisfied, please call the appropriate telephone number below to request the final balance due.

If you need assistance, please call the telephone number on the letter that came with the agreement or write to the address shown on the letter. If there’s no letter, please call the appropriate telephone number below or write IRS at the address shown on the front of the form.

For assistance, call: 1-800-329-0115 (Business), or 1-800-329-8374 (Individual – Self-Employed/Business Owners), or 1-800-329-0912 (Individuals – Wage Earners)

THANK YOU FOR YOUR COOPERATION
Form 2159
Department of the Treasury — Internal Revenue Service
Payroll Deduction Agreement

(Rev. January 2007)

TO: (Employer name and address)  
Regarding: (Taxpayer name and address)

Contact Person's Name  
Telephone (Include area code)

Social security or employer identification number
(Taxpayer) (Spouse)

EMPLOYER—See the instructions on the back of Part 2. The taxpayer identified above on the right named you as an employer. Please read and sign the following statement to agree to withhold amount(s) from the taxpayer's (employee's) wages or salary to apply to taxes owed. I agree to participate in this payroll deduction agreement and will withhold the amount shown below from each wage or salary payment due this employee. I will send the money to the Internal Revenue Service every: (Check one box.)

☐ WEEK  ☐ TWO WEEKS  ☐ MONTH  ☐ OTHER (Specify.)

Signed:

Title:  
Date:  

Amount owed as of $ __________________, plus all penalties and interest provided by law.

I am paid every: (Check one):  
☐ WEEK  ☐ TWO WEEKS  ☐ MONTH  ☐ OTHER (Specify.)

I agree to have $ ________________ deducted from my wage or salary payment beginning __________________ until the total liability is paid in full. I also agree and authorize this deduction to be increased or decreased as follows:

<table>
<thead>
<tr>
<th>Date of increase (or decrease)</th>
<th>Amount of Increase (or decrease)</th>
<th>New installment payment amount</th>
</tr>
</thead>
</table>

Terms of this agreement—By completing and submitting this agreement, you (the taxpayer) agree to the following terms:

- You will make each payment so that we (IRS) receive it by the monthly due date stated on the front of this form. If you cannot make a scheduled payment, contact us immediately.
- This agreement is based on your current financial condition. We may modify or terminate the agreement if our information shows that your ability to pay has significantly changed. You must provide updated financial information when requested.
- While this agreement is in effect, you must file all federal tax returns and pay any (federal) taxes you owe on time.
- We will apply your federal tax refunds or overpayments (if any) to the amount you owe until it is fully paid.
- You must pay a $105 user fee, which we have authority to deduct from your first payment(s).
- If you default on your installment agreement, you must pay a $45 reinstatement fee if we reinstate the agreement. We have the authority to deduct this fee from your first payment(s) after the agreement is reinstated.
- We will apply all payments on this agreement in the best interests of the United States.
- We can terminate your installment agreement if:
  - You do not make monthly installment payments as agreed.
  - You do not pay any other federal tax debt when due.
  - You do not provide financial information when requested.
  - If we terminate your agreement, we may collect the entire amount you owe by levy on your income, bank accounts or other assets, or by seizing your property.
  - We may terminate this agreement at any time if we find that collection of the tax is in jeopardy.
- This agreement may require managerial approval. We'll notify you when we approve or don't approve the agreement.

Additional Terms (To be completed by IRS)

Your signature  
Title (If Corporate Officer or Partner)  
Date

Spouse's signature (If a joint liability)  
Date

Agreement examined or approved by (Signature, title, function)  
Date

FOR IRS USE ONLY:

AGREEMENT LOCATOR NUMBER:  

FOR IRS USE ONLY:

R5 “1” no further review  
R5 “5” PPIA IMF 2 year review  
R5 “6” PPIA BMF 2 year review  
R5 “8” PPIA BMF 3 year review  
R5 “9” PPIA BMF 4 year review  
R5 “0” Not a PPIA

Agreement Review Cycle:  

Earliest CSED:  

Check box if pre-assessed modules included

Part 3 – Taxpayer’s Copy  
Catalog No. 21475H  
www.irs.gov  
Form 2159 (Rev. 1-2007)

Note: Internal Revenue Service employees may contact third parties in order to process and maintain this agreement.

06.19.13  
NC OSC HR/Payroll Training  
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INSTRUCTIONS TO TAXPAYER

If not already completed by an IRS employee, please fill in the information in the spaces provided on the front of this form for the following items:

- Your employer's name and address
- Your name(s) (plus spouse's name if the amount owed is for a joint return) and current address.
- Your social security number or employer identification number. (Use the number that appears on the notice(s) you received.) Also, enter your spouse's social security number if this is a joint liability.
- Your home and work telephone number(s)
- The complete name and address of your financial institution(s)
- The kind of taxes you owe (form numbers) and the tax periods
- The amount you owe as of the date you spoke to IRS
- When you are paid
- The amount you agreed to have deducted from your pay when you spoke to IRS
- The date the deduction is to begin
- The amount of any increase or decrease in the deduction amount, if you agreed to this with IRS; otherwise, leave BLANK

After you complete, sign (along with your spouse if this is a joint liability), and date this agreement form, give it to your participating employer. If you received the form by mail, please give the employer a copy of the letter that came with it.

Your employer should mark the payment frequency on the form and sign it. Then the employer should return all parts of the form to the IRS address on your letter or the address shown in the "For assistance" box on the front of the form.

If you need assistance, please call the appropriate telephone number below or write IRS at the address shown on the form. However, if you received this agreement by mail, please call the telephone number on the letter that came with it or write IRS at the address shown on the letter.

For assistance, call: 1-800-829-4115 (Business), or
1-800-829-3374 (Individual – Self-Employed/Business Owners), or
1-800-829-6922 (Individuals – Wage Earners)

Note: This agreement will not affect your liability (if any) for backup withholding under Public Law 96-67, the Interest and Dividend Compliance Act of 1983.