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Acting Director of Retirement Claims

General Counsel

Filing Information Returns (Form 1099)

This is in response to your memorandum of April 28, 1980, in which you inquire as to the Board's obligation to file certain informational returns with the Internal Revenue Service.

Section 6041 of the Internal Revenue Code and the regulations promulgated thereunder require an agency of the United States Government to file a report with respect to payments aggregating \$600.00 or more made by it during the calendar year to an individual, partnership, or corporation in the form of nonemployee salaries, wages, commissions, fees and other forms of compensation for services rendered. See 26 CFR 1.6041-1(a) and (g). This report is to be filed on Form 1099-NEC for each person who receives \$600 or more in such compensation. Each such Form 1099-NEC should contain the address of the Railroad Retirement Board, the amount of payment, and the name and address and taxpayer identification number of the recipient. See 26 CFR 1.6041-6. In addition, every year the Board must file Internal Revenue Service Form 1096, which summarizes the various Forms 1099 which have been filed during the year. Both the Forms 1099 and 1096 must be filed by February 28 of the year following the close of the calendar year during which the payments were made.

Payments specifically included under section 6041, noted above, are professional fees paid to attorneys, physicians and members of other professions for services rendered. Thus, payments made by the Board to physicians and vocational consultants for examinations would be covered under section 6041. See 20 CFR 1.6041-1(d)(2). Specifically excluded from the above section are payments for merchandise, telegrams, telephone, freight, storage and similar charges. See 26 CFR 1.6041-3(d).

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Acting Director of Retirement Claims

In regard to your question concerning refusal by someone providing services for the Board to furnish identifying information, it would seem that payment for the services could be conditioned upon release of such information.

Dale G. Zimmerman

cc: Director of Budget and Fiscal Operations

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