



PROCEDURE: Third Party Payment Request Procedures

Date: November 2014

These procedures outline the steps for requesting payment of a third party fee. A W-9 Form is required to be submitted with third party payment requests as the IRS requires FASCore to 'solicit' TIN information from anyone to whom a payment is made. As FASCore issues a 1099-MISC (from their tax ID) for payments made to third party vendors, they are required to solicit the payees TIN (via W-9 form) in order to meet IRS compliance requirements. Failure to do so subjects FASCore to risk of IRS levies and penalties.

To adhere to FATCA regulations Plan Sponsors must also provide a W-9 form and submit a payment request form when requesting payment from Plan Assets. This includes:

- I. Payments to Plan Sponsor at the Plan Sponsor's instruction of all or a portion of the administrative fees MLIC collects from the plan as reimbursement for the Plan Administrative expenses or payment of plan expenses.
- II. Payment to Plan Sponsors to reimburse themselves for payment of plan expenses or direct payment of plan expenses to service provider from unallocated plan asset account at Plan Sponsor's instruction: i.e. account fees and forfeiture funds.

A W-9 is not required when refunding contributions paid incorrectly and then returned to the Plan Sponsor.

Section A: Plan Information

- Provide Plan Name and Plan Number associated with requested third party payment request.

Section B: Payment Sources and Amount

- If payments will be recurring, indicate the quarter and year in which they will begin.
- If payments will be one time, the quarter and year are not applicable.
- Mark the accounts from which the payments should be taken.
 - Plan Forfeiture Assets/Expense Account
 - Amounts can be prorated across all available forfeiture money types.
 - Amounts can be requested from specific money sources – UPA1, UPA2, plan forfeiture assets or other money types specified.
 - Available only as a one time payment option. May not be established on a recurring payment frequency.
 - Participant Accounts
 - Amounts can be debited based on basis points.
 - Amounts can be debited based on a flat dollar amount, either pro rata or per capita.
 - Amounts can be debited based on a per participant charge.
 - Amounts can be debited from an individual participant.
 - Each selection should indicate if the fee is to be debited one time, or on a quarterly frequency.
 - Quarterly debits are processed on or about the 15th calendar day of the third month of the calendar quarter.

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Section C: Payee Type of Fee

- Indicate the correct payee type based on the selections available.
 - Third Party Administration ("TPA")
 - Legal/Counsel
 - Registered Investment Adviser ("RIA")
 - Trustee
 - Either Individual or Corporate
 - Accounting
 - Either Accountant, Payroll or Auditor



- Other, as specified
- Submit a separate form for each payee and select the type of fee being paid.

Section D: Payment Information

- Provide complete information for payment. Note that ACH is the preferred method of payment delivery.
- Email address is required as it will be used to provide the recipient with a Payment Detail report when a payment is made.

Section E: Authorization to Process

- Plan authorization is required in order to fulfill the requested payment.
- Completed request forms must be received 15 days prior to quarter end to allow time for processing.
- Completed request forms must be returned to the MetLife Service Center as specified on request form.
- Identify if W-9 for payee is included with request form.

Additional Considerations

- Fees are prorated among all money types and funds, unless otherwise specified.
- The payment is processed within 15 business days from receipt of complete information.
- If a MetLife Account Executive or Plan Sponsor needs a status of the payment request, contact Plan Support Services.
- The vendor's invoice number will appear on the check.
- The check will be mailed directly to the vendor along with a copy of the invoice. If an ACH payment has been requested it will be processed in that manner.
- All third party bills will be logged and the log can be emailed to the institutional client if requested within the first few business days of the new month. The log will be year-to-date to facilitate what vendors have sent current W-9 forms.
- Form W-9 – Request for Taxpayer Identification Number and Certification
 - If a W-9 is included, the form must be signed. It must include the vendor's complete name, address, TIN number and box checked identifying whether the vendor is an Individual/Sole Proprietor, Corporation, Partnership or Other.
 - The W-9 must be faxed along with the vendor invoice.
 - The W-9 must be submitted regardless of the amount of the payment.
 - In general, a 1099-MISC is used to report fees paid for services to non-corporate entities.
 - A 1099-MISC will not be produced if total payments for a year are less than \$600.
 - A 1099-MISC is produced in January each year for payments made the prior calendar year.
 - FASCore is not to issue a payment without a valid W-9 on file. The request will be rejected. A FASCore Account Manager will email the MetLife Plan Document Team when a W-9 is required.
(plandocgroup@metlife.com)
- Additional Q&A regarding the W-9:
 - If fees are to be paid to the same party can one W-9 be submitted per year to cover all requests? Or does it have to be submitted every time? Only one form needs to be submitted annually.
 - If payments are less than \$600 annually do we have to produce a 1099-MISC? If not then a W-9 won't be needed, correct? If the payments are less than \$600 annually, then no 1099-MISC is generated...and a W-9 wouldn't be required. However, there is not a method for tracking requests under \$600 and knowing when cumulatively it exceeds \$600 for the year and a W-9 would be required. Therefore, FASCore requires a W-9 to be submitted.
 - Why is a W-9 being requested if the entity is a corporation? The IRS requires FASCore to 'solicit' TIN information annually from anyone to whom a payment is made. Since FASCore issues a 1099-MISC (from their tax ID) for payments made to third party vendors, they are required to solicit the payees TIN (via W-9 form) in order to meet IRS compliance requirements (See [IRS Pub 1679](#)). Failure to do so subjects FASCore to risk of IRS levies and penalties. There have been documented cases where a payment was made to a third party vendor but FASCore was given the 'plans' TIN for the tax form. This creates red flags with the IRS for FASCore, the Plan and the 3rd party due to mismatched Name and TIN



information. Thus, as a change to internal procedures as a result of internal audit, FASCore will now require the W-9 Form with each payment.

- Is the W-9 required for LLCs or LLPs? The following response comes from FASCore's legal department:
 - Generally, all payments made to a service provider aggregating \$600 or more during a calendar year are reportable on a 1099-MISC. The only exception is if the service provider is a corporation (Incorporation, Inc., Corporation or Corp in their names).