

COMPUTER MATCHING AGREEMENT

BETWEEN

THE DEPARTMENT OF TREASURY
INTERNAL REVENUE SERVICE

AND

THE DEPARTMENT OF VETERANS AFFAIRS
VETERANS BENEFITS ADMINISTRATION

FOR

THE DISCLOSURE OF INFORMATION TO FEDERAL,
STATE AND LOCAL AGENCIES (DIFSLA)

Effective Date: July 1, 2023

Expiration Date: December 31, 2024

I. PURPOSE AND LEGAL AUTHORITY

A. Purpose

This Computer Matching Agreement (CMA) sets forth the terms, conditions, and safeguards under which the Internal Revenue Service (IRS), will disclose to the Department of Veterans Affairs (VA), Veterans Benefits Administration (VBA), certain return information. 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.

B. Legal Authority

1. This agreement is executed to comply with the Privacy Act of 1974 (5 U.S.C. § 522a), as amended by the Computer Matching and Privacy Protection Act (CMPPA) of 1988 (Pub. L. 100-503); and the Office of Management and Budget (OMB) Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act, as published at 81 FR 94424 (December 23, 2016).
2. The Internal Revenue Code (IRC), 26 U.S.C. § 6103(l)(7)(B), authorizes the IRS to disclose return information with respect to unearned income, as defined by relevant sections of the IRC, to VBA for purposes of determining eligibility for and amount of benefits for needs-based pension under chapter 15 of title 38, United States Code, and parents' dependency and indemnity compensation under section 1315 of title 38, United States Code.

II. JUSTIFICATION AND ANTICIPATED RESULTS

A. Justification

1. 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. Currently, the most cost-effective and efficient way to verify annual income of applicants and recipients of these benefits is through a computer match.
2. By comparing the information received through the matching program between VBA and IRS, VBA will be able to adjust benefit amounts timely and accurately. The match information will help VBA minimize overpayments and deter fraud and abuse.

B. Anticipated Results

1. IRS does not receive any benefit, direct or indirect, from this matching program.
2. VBA projects a net savings of approximately \$33.8 million over the life of this agreement. This estimate is based upon projections for July 2023 through December 2025. The specifics of the estimated savings are contained in the cost benefits analysis, attachment 1.

III. RECORDS DESCRIPTION

A. System of Records

1. 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 84 FR 4138 (February 14, 2019). The routine use is 64.
2. 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 (September 8, 2015).

B. Data Elements

1. VBA will furnish the IRS with records in accordance with the current IRS Publication 3373, *Disclosure of Information to Federal, State and Local Agencies (DIFSLA) Handbook*. The requests from VBA will include:
 - a. Social Security Number (SSN), and
 - b. Name Control (first four characters of the surname) for each individual for whom unearned income information is requested.
2. 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.

3. When there is a match of individual SSN and name control, IRS will disclose the following to VBA:
 - a. Payee account number,
 - b. Payee name and mailing address,
 - c. Payee Taxpayer Identification Number (TIN),
 - d. Payer name and address,
 - e. Payer TIN, and
 - f. Income type and amount.

C. Number of Records

Annually, VBA expects to request return information for approximately 800,000 applicants for, or beneficiaries and spouses of, such individuals, VA compensation and pension benefits.

D. Projected Starting and Completion Dates

1. The effective (start) date of the matching agreement is the expiration of the 30-day *Federal Register* public comment period.
2. The agreement shall expire 18 months after its effective date. The Data Integrity Boards (DIBs) for both agencies may, within 3 months prior to the expiration of this agreement, renew this agreement for a period not to exceed 12 months on a showing to such boards by VBA and IRS that: (1) the matching program will be conducted without change, and (2) the matching program has been conducted in compliance with this CMA.

IV. RESPONSIBILITIES OF THE PARTIES

A. VBA Responsibilities

1. When this agreement is approved and signed by the chairpersons of the respective DIBs, VBA will provide to Congress and OMB copies of this agreement and the proposed public notice of the match.
2. VBA will publish in the *Federal Register* public notice of the proposed matching program in accordance with the requirements of the Privacy Act of 1974 as amended by the CMPPA of 1988, 5 U.S.C. § 552a(e)(12) of the Privacy Act. VBA will provide to IRS a copy of the published notice.

B. Non-renewal of Agreement

If either agency does not want to renew this CMA, it should notify the other of its intention not to renew at least 90 days before the end of the then current period. This agreement may be amended at any time by a written modification to this agreement, which satisfies both agencies and is approved by the DIB of each agency.

C. Termination of Agreement

This agreement may be terminated at any time with the consent of both agencies. Either agency may singly terminate the CMA upon written notice to the other agency, in which case the termination shall be effective 90 days after the date of the notice, or at a later date specified in the notice, so long as such later date does not exceed either the original or the extended completion date of the match.

V. NOTICE PROCEDURES

A. Applicants.

VBA will notify all individuals who apply for benefits that the information provided on the application is subject to computer matching with other agencies. VBA's direct notice is printed on its application forms or in a separate handout. VBA's notice informs all applicants that information obtained through matching programs may be used to determine eligibility for VBA benefits and the amount of such benefits.

B. Beneficiaries

VBA will provide subsequent periodic notices to beneficiaries as required. VBA provides notice to certain beneficiaries by check stuffer, letter, or other publication, including a VA-hosted internet website.

VI. VERIFICATION AND OPPORTUNITY TO CONTEST

A. Consistent with OMB guidance, published at 54 FR 25818, 25827 (June 19, 1989), VBA will combine the independent verification and notice requirements for VBA applicants and beneficiaries into a single step as explained in paragraphs B and C below. VBA expects that compressing these two steps will reduce the overpayments and underpayments created by delays in processing the match. Records of payments reported as being made by any component of the Department of Treasury, including interest on Federal tax refunds, do not require separate verification. While such reports are considered verified upon receipt by VBA, they are return information subject to all of the use and disclosure restrictions provided in IRC 6103, IRS Publication 1075, *Tax Information Security Guidelines for Federal, State, and Local Agencies*, and this Agreement.

B. Applicants

1. VBA will attempt to verify independently the return information reported by the match by contacting the recipient and or the source of the income.
2. As part of the development of the claim and in order to compress the steps, VBA will simultaneously provide notice of its attempted independent verification to the applicant and his or her representative. Although 38 U.S.C. § 5317(b) requires VA to take appropriate steps to verify independently income information obtained through its matching programs with the IRS and SSA, no statute or regulation prescribes a specific time period for VBA's

independent verification. VA regulations, 38 C.F.R. § 3.159(b), provide applicants 30 days to respond to VA's notice of evidence required to substantiate a claim.

Therefore, the notice will state that VBA provides 30 days for claimants to submit evidence for the purpose of showing that the amount identified in the match is incorrect.

- a. The independent verification notice advises that, unless the applicant submits evidence to the contrary, VBA will conclude that the information discovered is correct and, if benefits are due, will calculate the initial award of benefits accordingly.
- b. Waiver. An applicant may waive the 30-day notice period if he or she confirms the information found in the match.

C. Beneficiaries

1. VBA will attempt to verify independently the return information reported by the match by contacting the recipient and/or the source of the income.
2. In order to compress the steps, VBA will simultaneously provide notice to the beneficiary and his or her representative. VA regulations, 38 C.F.R. § 3.103(b)(2), prohibit VA from reducing, suspending, or terminating benefits unless VA has provided the beneficiary with notice of its proposed adverse action and 60 days to submit evidence showing that VA should not take such action. Therefore, the notice will state that VBA allows 60 days for the beneficiary to submit evidence for the purpose of showing that VBA should not take adverse action. The notice will contain the following information:
 - a. The proposed decision and reason(s) for the decision;
 - b. Notice that unless the beneficiary responds to the proposed adverse action within 60 days, VBA will conclude that the return information is correct and take necessary action regarding payment of benefits to the beneficiary; and
 - c. Waiver. Beneficiaries may waive the 60-day due process period by confirming the information found in the match.

D. Appeal

Upon completion of the processing of the claim or adverse action, VBA will notify the applicant or beneficiary of the administrative appeal rights, the amount of any overpayment, and procedures for requesting waiver of recovery of an overpayment.

VII. DISPOSITION OF MATCHED RECORDS

- A. VBA will maintain all identifiable records received from IRS in accordance with 26 U.S.C. § 6103(p)(4) and the current revision of IRS Publication 1075.

1. VBA's input file is the only identifiable record IRS uses in the course of the matching program. The information provided by VBA will not be used by the IRS for any purpose other than this matching program.
 2. Records provided by VBA will not be used to extract information concerning individuals therein for any purpose not specified in this Agreement.
 3. Records provided by VBA will not be duplicated or disseminated within or outside the IRS, except as required by Federal law, without the written permission of VBA.
- B. Neither VBA nor IRS will create a separate file or system of records, which consists of information concerning only those individuals who are involved in this specific matching program, except as necessary in controlling and/or verifying the information for purposes of this program.
- C. VBA will destroy the file generated through this matching operation as soon as the information has served the matching program's purpose and all legal retention requirements established in conjunction with the National Archives and Records Administration (NARA) under applicable procedures have been met.
- D. IRS will retain the Agency Input/Tickler file submission with identifying information for approximately 90 days. The information provided by the Agency will not be used by the IRS for any purpose other than this matching program. The IRS Office of Records & Information Management has deemed this information to be of a transitory nature, or "transitory records", specifically "intermediate input files" as defined in General Records Schedule 5.2, Item 010. The IRS will protect transitory records in the same manner that it protects IRS records. The Input/Tickler file will be destroyed when no longer needed for business use.

VIII. SAFEGUARDS REQUIREMENTS AND DISCLOSURE RESTRICTIONS

- A. VBA will maintain all federal tax returns and return information (FTI) sourced from the IRS in accordance with IRC § 6103(p)(4) and comply with the safeguards requirements set forth in Publication 1075, *Tax Information Security Guidelines for Federal, State and Local Agencies*, which is the IRS published guidance for security guidelines and other safeguards for protecting returns and return information pursuant to 26 CFR 301.6103(p)(4)-1. IRS safeguarding requirements require:
1. VBA will establish a central point of control for all requests for and receipt of federal tax returns and return information, and maintain a log to account for all subsequent disseminations and products made with/from that information, and movement of the information until destroyed, in accordance with Publication 1075.
 2. VBA will establish procedures for secure storage of federal tax returns and return information consistently maintaining two barriers of protection to prevent unauthorized access to the information, including when in transit, in accordance with Publication 1075.

3. VBA will consistently label federal tax returns and return information obtained under this agreement to make it clearly identifiable and to restrict access by unauthorized individuals. Any duplication or transcription of federal tax returns and return information creates new records which must also be properly accounted for and safeguarded. Federal tax returns and return information should not be commingled with other VBA records unless the entire file is safeguarded in the same manner as required for federal tax returns and return information and the FTI within is clearly labeled in accordance with Publication 1075.
4. VBA will restrict access to federal tax returns and return information solely to officers and employees of VBA whose duties require access for the purposes of carrying out this CMA. Prior to access, VBA must evaluate which employees require such access. Authorized individuals may only access federal tax returns and return information to the extent necessary to perform services related to this CMA, in accordance with Publication 1075.
5. Prior to initial access to FTI and annually thereafter, VBA will ensure that employees and officers that will have access to federal tax returns and return information receive awareness training regarding the confidentiality restrictions applicable to the federal tax returns and return information and certify acknowledgement in writing that they are informed of the criminal penalties and civil liability provided by IRC sections 7213, 7213A, and 7431 for unauthorized disclosure or inspection of federal tax returns and return information that is not authorized by the IRC, in accordance with Publication 1075.
6. VBA will submit an annual Safeguard Security Report (SSR) to the IRS Office of Safeguards, Governmental Liaison, Disclosure and Safeguards (GLDS), hereafter referred to as IRS Safeguards, by the submission deadline specified in Publication 1075 to provide an update on safeguarding activities during the reporting period and provide Head of VBA certification that the SSR addresses all Outstanding Actions identified by the IRS Safeguards from VBA's prior year's SSR; accurately and completely reflects VBA's current environment for the receipt, storage, processing and transmission of FTI; accurately reflects the security controls in place to protect the FTI in accordance with Publication 1075 and of the VBA's commitment to assist the IRS Safeguards in the joint effort of protecting the confidentiality of FTI; report all data incidents involving FTI to the IRS Safeguards and TIGTA timely and cooperate with TIGTA and IRS Safeguards investigators, providing data and access as needed to determine the facts and circumstances of the incident; support the IRS Safeguards on-site review to assess VBA compliance with Publication 1075 requirements by means of manual and automated compliance and vulnerability assessment testing, including coordination with information technology (IT) divisions to secure pre-approval, if needed, for automated system scanning and to support timely mitigation of identified risk to FTI in VBA's Corrective Action Plan (CAP) for as long as VBA maintains federal tax returns and return information. Required reports will be transmitted in electronic format and on the template provided by IRS Safeguards using an IRS-approved encryption method in accordance with Publication 1075.

7. VBA will ensure that federal tax returns and return information is properly destroyed or returned to the IRS when no longer needed based on established VBA record retention schedules in accordance with Publication 1075.
 8. VBA will conduct periodic internal inspections of facilities where federal tax returns and return information is maintained to ensure IRS safeguarding requirements are met and will permit the IRS access to such facilities as needed to review the extent to which VBA is complying with the IRC § 6103(p)(4) requirements of this section.
- B. Generally, this agreement covers secure electronic transmission of Federal tax returns and return information to the VBA provided the VBA's computer systems are compliant with 44 U.S.C § 3554(b)(2)(D), as added by the Federal Information Security Modernization Act of 2014 (FISMA) or National Institute of Standards and Technology (NIST) Special Publication 800-53 standards and guidance for security of data at the moderate impact level. The VBA's SSR must fully describe the computer system and security controls implemented for the receipt, processing, storage, and transmission of electronic federal tax returns and return information. Required security controls for systems that receive, process, store and transmit electronic federal tax returns and return information are specified in Publication 1075.
 - C. Any creation or receipt of Federal tax returns and return information in paper format must also be fully disclosed in the VBA's SSR. Required security controls associated with the receipt, processing, and storage of any Federal tax returns and return information received in paper format are specified in previously mentioned sections of Publication 1075.
 - D. VBA must report suspected unauthorized inspection or disclosure of federal tax returns and return information immediately but no more than 24 hours of discovery to the appropriate Agent-in-Charge, Treasury Inspector General for Tax Administration (TIGTA), and to the IRS Safeguards in accordance with as specified in Publication 1075.
 - E. When a data incident results in the Agency taking adverse or disciplinary action against an employee based on an unauthorized inspection or disclosure of return information in violation of the Agency's procedures, the Agency must notify each impacted taxpayer in writing. The notification letter must include the date of the unauthorized inspection or disclosure and the rights of the taxpayer under I.R.C. § 7431. The Agency must report to IRS Safeguards when taxpayer notification letters are issued, in accordance with Publication 1075.
 - F. VBA officers and employees may have access to federal tax returns and return information obtained under this CMA. VBA may not allow contractors access to federal tax returns and return information for any purpose.
 - G. VBA officers and employees who inspect or disclose federal tax returns and return information obtained pursuant to this CMA in a manner or for a purpose not so authorized by IRC are subject to the criminal sanction provisions of IRC sections 7213 and 7213A, and 18 U.S.C. section 1030(a)(2), as may be applicable. In

addition, the VBA could be required to defend a civil damages action under IRC section 7431.

- H. IRS will conduct periodic safeguard reviews of the VBA to assess whether security and confidentiality of federal tax returns and return information is maintained consistent with the safeguarding protocols described in Publication 1075, the VBA's SSR and in accordance with the terms of this agreement. Periodic safeguard reviews will involve the inspection of VBA facilities where FTI is maintained; the testing of technical controls for computer systems storing, processing or transmitting FTI; review of VBA recordkeeping and policies; and interviews of VBA employees to verify the use of FTI including confirming that no contractor has access to the FTI and to assess the adequacy of procedures established to protect FTI.
- I. VBA recognizes and treats all IRS Safeguards documents and related communications as IRS official agency records; that they are property of the IRS; that IRS records are subject to disclosure restrictions under federal law and IRS rules and regulations and may not be released publicly under state Sunshine or Information Sharing/Open Records provisions; and that any requestor seeking access to IRS records should be referred to the federal Freedom of Information Act (FOIA) statute; and that VBA will coordinate with IRS regarding appropriate treatment of IRS records under FOIA. If the VBA determines that it is appropriate to share IRS Safeguards documents and related communications with another governmental function/branch for the purposes of operational accountability or to further facilitate protection of FTI that the recipient governmental function/branch must be made aware, in unambiguous terms, that IRS Safeguards documents and related communications are property of the IRS; that they constitute IRS official agency records; that any request for the release of IRS records is subject to disclosure restrictions under federal law and IRS rules and regulations and that any requestor seeking access to IRS records should be referred to the federal FOIA statute; and that the governmental function/branch will coordinate with IRS regarding appropriate treatment of IRS records under FOIA.

IX. ACCURACY ASSESSMENTS

- A. IRS will initially validate all SSNs and Name Controls provided by VBA against the National Account Profile (NAP)-DM1 file prior to matching the records against the IRMF. The correctness of the return information provided to VBA is generally contingent upon the correctness of the information provided to IRS by the payer of the income.
- B. VBA previous matches with the IRS indicate that names and SSNs in VBA records are at least 99 percent accurate. VBA internal verification procedures of the name, SSN, and benefit information is at least 99 percent accurate.

X. ACCESS BY THE COMPTROLLER GENERAL

- A. The Government Accountability Office (Comptroller General) may have access to all IRS and VBA records, to the extent authorized by 26 U.S.C. § 6103 and 5 U.S.C. § 552a(o)(1)(K), for the purposes of monitoring and verifying compliance with this agreement.

B. Only auditors or quality reviewers who are employees of the Agency are authorized to access return information contained in Agency files for purposes related to an audit of the Agency's determination of the correct amount of benefits or eligibility for benefits under plans administered by the Agency. Contractors or agents of the Agency (including contractors conducting independent assessments) may not have access to return information in Agency eligibility files. Officers and employees of the Office of the Inspector General (OIG), Department of Veterans Affairs, may only have access to return information contained in Agency files for purposes of an audit directly related to the Agency's determination of the correct amount of benefits or eligibility for benefits under plans administered by the Agency. Audits pertaining to general program operations or compliance with other Federal programs or laws must not include access to return information. In those situations, any return information in electronic or paper format must be removed in accordance with Publication 1075.

XI. REIMBURSEMENT

All work done by IRS for VBA under this agreement will be performed on a cost reimbursable basis. IRS will recover all reasonable direct and indirect costs, including overhead, associated with performing services for VBA under this agreement.

Cost estimates will be prepared on an annual basis. The IRS administers the computer matching program for the benefit of the agencies that participate in it. Accordingly, the IRS expects to recover 100 percent of the costs it incurs to administer this program. In the unlikely event actions by one or more agencies significantly alter the total cost incurred by the IRS or the calculation of the agencies' pro rata share of program costs, the IRS may need to adjust the computation of annual costs. If this occurs, your agency will be notified.

Costs associated with this program are primarily related to the actions by IRS required to make the data-sharing program available to VBA for the performance of the computer matching. These costs include personnel in place to administer the program, Information Technology personnel to setup and test the matching system, and Safeguards Program personnel to ensure protection of the associated FTI.

Billing will be at least quarterly, and may be monthly during the last quarter of the fiscal year. Actual costs may be higher or lower than the estimate. Both agencies must sign Forms 7600A and 7600B Interagency Agreement prior to the initiation of any services under this agreement. IRS authority to incur obligations through the performance of services under this agreement and VBA's authority to reimburse IRS under this agreement shall not exceed the amounts specified in Forms 7600A and 7600B. An amended Form 7600A and 7600B will also be required if it becomes apparent that original cost estimates will be exceeded. Amendments must be signed by both agencies prior to start of any work.

Reimbursable Agreement Forms 7600A and 7600B span one Federal fiscal year only (October 1 of one calendar year through September 30 of the following calendar year). New Forms 7600A and 7600B will be required for each fiscal year.

XII. CONTINGENCY CLAUSE

This agreement is contingent on VBA meeting the Federal Safeguards Requirements and Disclosure Restrictions specified in Section VIII. Matches with VBA under this agreement will be immediately discontinued if, at any time, IRS determines that VBA has failed to meet the Federal Safeguards Requirements, Disclosure Restrictions, or any Privacy Act Requirements.

XIII. PERSONS TO CONTACT

A. The IRS contacts are:

1. Project Manager

Patricia Grasela, Senior Data Analyst
Internal Revenue Service
Office of Governmental Liaison, Disclosure and Safeguards
Data Services
2970 Market Street
BLN: 2-Q08.124
Philadelphia, PA 19104
Telephone: (267) 466-5564
Fax: (855) 207-0455
Email: Patricia.Grasela@irs.gov

2. Safeguards and Recordkeeping Procedures

Lynn T. Glass, Associate Director
Internal Revenue Service
Governmental Liaison, Disclosure and Safeguards
Office of Safeguards
1301 Clay Street
Oakland, CA 94612-5217
Telephone: (510) 907-5168
Email: Lynn.Glass@irs.gov

B. The VA/VBA contacts are:

1. System Security

Michael Bielecki, CISSP
Department of Veterans Affairs
1800 G St NW
Washington DC 20006
Telephone: (202) 461-9889
Email: iso.vbaco@va.gov

2. Program Issues

Gary Hodge
Department of Veterans Affairs (21PF)
810 Vermont Avenue, NW
Washington, DC 20420
Telephone: (202) 461-9385
Email: gary.hodge@va.gov or Pension.Fiduciary.VBACO@va.gov

3. Technical Business Requirements and Testing Issues

Simon Dessus
Department of Veterans Affairs (21PF)
810 Vermont Avenue, NW
Washington, DC 20420
Telephone: (215) 842-2000 Ext 5434
Email: Simon.Dessus@va.gov

XIV. Authorized Officials

Any change of the information pertaining to any authorized official must be promptly provided, in writing, to the contacts of the other agency.

A. The official with authority to request information under this Agreement on behalf of VBA is:

Dr. Nilijah E. Carter
Pension and Fiduciary Service
Department of Veterans Affairs (21PF)
810 Vermont Avenue, NW
Washington, DC 20420
Telephone: (202) 461-1462
Email: Nilijah.Carter@va.gov or Pension.Fiduciary.VBACO@va.gov

B. The official with authority to disclose, or authorize the disclosure of, return information under this Agreement on behalf of IRS is:

Michael J. Oser, Acting Director
Internal Revenue Service
Office of Governmental Liaison, Disclosure and Safeguards
1120 Liberty Street
Brockton, MA 02301
Phone: (508) 513-3568
Email: Michael.J.Oser@irs.gov

XV. LIMITATIONS

The terms of this Agreement are not intended to alter, amend, or rescind any current agreement or provision of Federal law now in effect. Any provision of this Agreement which conflicts with Federal law is null and void.

XVI. LIABILITY

- A. Each party to this Agreement shall be liable for acts and omissions of its own employees.
- B. Neither party shall be liable for any injury to another party's personnel or damage to another party's property unless such injury or damage is compensable under the Federal Tort Claims Act (28 U.S.C. 1346(b)), or pursuant to other Federal statutory authority.
- C. Neither party shall be responsible for any financial loss incurred by the other, whether directly or indirectly, through the use of any data furnished pursuant to this Agreement.

XVII. REPORT TO CONGRESS

When this Agreement is approved by the Chairman of the Department of Veterans Affairs Data Integrity Board and the Chairman of the Treasury Data Integrity Board, the VBA will submit a report of the match to Congress and the Office of Management and Budget for review.


XVIII. AUTHORIZED SIGNATURES

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement. Each party executing this agreement is authorized to enter into agreements of this nature on behalf of their agency.

Electronic Signature Acknowledgement: The signatories may sign this document electronically by using an approved electronic signature process. Each signatory electronically signing this document agrees that his/her electronic signature has the same legal validity and effect as his/her handwritten signature on the document, and that it has the same meaning as his/her handwritten signature.

**Department of Veterans Affairs
Veterans Benefits Administration**

NILIJAH
CARTER

 Digitally signed by NILIJAH
CARTER
Date: 2023.04.19 14:27:56
-04'00'

Dr. Nilijah E. Carter
Executive Director,
Pension and Fiduciary Service

Date

The Department of Veterans Affairs Data Integrity Board has reviewed this matching Agreement and finds it in compliance with relevant statutes, regulations and guidelines. We, therefore, approve the conduct of the aforementioned matching program.



2023.05.04
15:36:55 -04'00'

John Oswalt
Chairperson
Data Integrity Board

Date

**Department of Treasury
Internal Revenue Service**

**Brytten M.
Rice**
Brytten Rice
Acting Director, Government
Liaison, Disclosure and Safeguards

Digitally signed by Brytten
M. Rice
Date: 2023.05.02
10:24:55 -05'00'

5/2/23

Date

The Treasury Data Integrity Board has reviewed this matching Agreement and finds it in compliance with relevant statutes, regulations and guidelines. We, therefore, approve the conduct of the aforementioned matching program.

Ryan A. Law
Ryan Law
Chairperson, Treasury Data Integrity Board
Deputy Assistant Secretary for Privacy,
Transparency and Records

Digitally signed by Ryan
A. Law
Date: 2023.05.03
12:17:19 -04'00'

5/3/23

Date

XIX. EFFECTIVE DATES

This Agreement is effective the _____ day of _____,
(day) (month) (year)

and expires on December 31, 2024.

CBA Template

April 7, 2023

Cost-Benefit Analysis DISCLOSURE OF INFORMATION TO FEDERAL, STATE AND LOCAL AGENCIES (DIFSLA)

For
Internal Revenue Service (IRS)

From
The Department of Veterans Affairs, Veterans Benefits
Administration (VA/VBA)

I. Objective

The purpose of this match is for the IRS to make available to VBA certain Federal tax information (FTI) 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.

II. Program Level Matching

VBA records involved in this match are in "VA Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records – VA" (58 VA 21/22/28). 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 (September 8, 2015).

A current CMA is in existence and no changes are anticipated.

III. Percentage and Number of Potential Hits

Annually, VBA expects to request return information for approximately 800,000 applicants for, or beneficiaries and spouses of, such individuals, VA compensation and pension benefits.

VBA previous matches with the IRS indicate that names and SSNs in VBA records are at least 99 percent accurate. VBA internal verification procedures of the name, SSN, and benefit information is at least 99 percent accurate.

IV. Dollar Value of Potential Loss Avoidance

Cost avoidance by entering this agreement is projected at \$33,729,000.

V. Description of Any “Non-Dollar” Factors Regarding the Match

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. Currently, the most cost-effective and efficient way to verify annual income of applicants and recipients of these benefits is through a computer match.

By comparing the information received through the matching program between VBA and IRS, VBA will be able to adjust benefit amounts timely and accurately. The match information will help VBA minimize overpayments and deter fraud and abuse.

VI. Costs for Conducting This Computer Matching Activity

VA VBA cost of performing this CMA is \$17,562,585 during the period July 2023 through December 2025 (30 months).

VII. Total Cash Collected as a Result of the Computer Matching Activity

VBA estimates that \$94,000 will be collected from overpayments from July 2023 through December 2025.

VIII. Conclusion

VBA projects a net gain of \$16,260,415 (projected benefits \$33,823,000—costs \$17,562,585), or a ratio of 1.9 to 1, resulting in a favorable CBA ratio.

Signatory Authority

Program Manager

Approve/~~Disapprove~~

CHARLES
TAPP

Administration or Program
Chief Financial Officer (CFO)

 Digitally signed by
CHARLES TAPP
Date: 2023.04.19 09:27:06
-04'00'