

The Department of the Treasury
Financial Management Service

Corrections to Payment Processing for Social Security
Administration (SSA) Automated Clearing House (ACH) Benefit Payments

January 24, 2013

Following the issuance of monthly recurring SSA benefit payments payable on January 3, 2013, some issues were reported by financial institutions regarding the formatting of ACH payments from Treasury.

Some financial institutions reported missing hyphens in account numbers provided in the DFI Account Number (PPD Entry Detail record, field 5). Treasury and SSA will have the issue corrected for the next recurring monthly SSA benefit payments, payable on February 1, 2013.

In addition, Treasury began using the International ACH Transaction (IAT) standard entry class to process recurring monthly benefit payments for the Social Security Administration (SSA). In accordance with NACHA Operating Rules and U.S. law, Treasury uses IAT to provide payments to the Office of Foreign Assets Control (OFAC) and Receiving Depository Financial Institutions (RDFI) for appropriate screening. SSA and Treasury classify benefit payments as IAT when the beneficiary has a foreign address of record. The IAT standard entry class is used regardless of the address of the beneficiary's designated recipient or the RDFI.

Following the issuance of the first group of IAT payments dated January 3, 2013, a couple of issues were reported by financial institutions. First, some financial institutions reported an issue with the information being provided in the Receiver Street Address (field 4) in the Sixth IAT Addendum (Addendum Type 15) record. In some cases, the field included a Social Security beneficiary name. This issue will be corrected for the next recurring monthly SSA benefit payments, payable on February 1, 2013.

Second, the IAT Company/Batch Header field of Foreign Exchange Reference Indicator (field 5, position 23), was blank. The field should have contained the value '3', to correspond with the Foreign Exchange Indicator (field 4, positions 21-22), which correctly contained the value 'FF'. The issue will be corrected for monthly SSA benefit payments payable on May 3, 2013.

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