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Social Security Administration Implements New ACH Payment Formats

The Social Security Administration (SSA) is changing acceptable ACH formats for select electronic benefit payment entries. As part of the SSA's final phase of migrating to a fully electronic payment processing platform, the changes, which will be fully effective as of March 2013, include new ACH payment field values and, in some cases, affect values for transactions' Standard Entry Class (SEC) codes. Awareness of the new formats can help organizations handling Social Security benefit payments for distribution avoid discrepancies created by new data transmission values, and alert them to potential fees incurred for payments sent in an international ACH (IAT) format under the new rules.

The following formatting changes may impact how incoming ACH transaction data are listed:

- Addenda records will no longer contain the recipient's Social Security number.
- Seven new transit routing numbers can now be included in the company identification field.
- Data transmissions can now include updated remittance information, such as new values in specific fields, as listed below.
- Payments will include new values in the following four ACH payment fields:
 1. The immediate origin field (NACHA File header record) is now represented as "031736026".
 2. The company name field is now "SSA TREAS 310".

3. The NACHA SEC code for receivers with a foreign address has changed from "PPD" to "International ACH Transaction (IAT)".
4. The company identification field (NACHA Company Batch Header Record – position 41) will include a value of "1" or "9". If a value of "1" is used, it will be followed by a child support employer identification number. If a value of "9" is used, it will precede one of the following transit routing numbers (that may have represented a different value in the past): 031736026, 031736039 or 031736042.

In addition to potential impacts for ACH receivers using specific ACH values to auto-post payments to their payment systems, the new values may change how payments are listed on receivers' bank statements and the payment description on customer sub accounting systems. And payments sent in IAT formats under the new rules, in addition to potentially qualifying for new billing charges, may be subject to mandatory Office of Foreign Assets Control (OFAC) scanning requirements that could delay payment posting or prompt the service provider (BNY Mellon) to contact affected receiving clients for additional information.

Complete details on the changes are available at <http://fms.treas.gov/greenbook/pdf/KFC-SSA-3rd-Greenbook.pdf> or <http://fms.treas.gov/greenbook/KFC-SSA-Cycle-Greenbookdw.pdf> (you may need to refresh your browser page to access the links). For questions about the new SSA format changes, please call us at 1 800 424 3004 (Option 2) or e-mail us at treasury@bnymellon.com.

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