Briefing Guide

EXPRESS ENROLLMENT FOR NEW BUSINESSES

2004

EFTPS®
Electronic Federal Tax Payment System

Introduction to Briefing Guide

This Briefing Guide was developed to provide information about a new EFTPS product: Express Enrollment for New Businesses. This Guide has 4 sections:

- *EFTPS Highlights and Facts*
- *About Express Enrollment for New Businesses*
- *Express Enrollment Materials*
- *EFTPS Background Information*

The section "About Express Enrollment for New Businesses" includes the following:

- *Product objectives*
- *Functionality and system enhancements*
- *Enrollment process*
- *Questions and answers*

If you have any questions about Express Enrollment for New Businesses or EFTPS in general, please call the IRS EFTPS Product Manager, Tom Davis (202-283-0474) or Joyce Steele (202-283-0093).

EFTPS Highlights and Facts

EXPRESS ENROLLMENT FOR NEW BUSINESSES

EFTPS – Highlights and Facts

EFTPS *was implemented in 1996 by the Internal Revenue Service (IRS) and Financial Management Service (FMS) to enable taxpayers to pay all their federal taxes electronically. In September, 2001, a new Internet access/payment feature—EFTPS-OnLine—was added to the service and launched nationwide.*

Highlights

EFTPS is the most efficient method to pay all federal taxes, replacing use of paper Federal Tax Deposit (FTD) coupons and vouchers.

- **EFTPS is…**
  - *Easy to use*
  - *Convenient*
  - *Secure*
  - *Accurate*
  - *Timesaving*
  - *Flexible to meet business and individual taxpayer needs*
- **EFTPS is a service provided FREE by the U.S. Department of Treasury. All materials and software are available free of charge.**
- **EFTPS offers taxpayers flexible payment options that are interchangeable…**
  - *EFTPS-OnLine*
  - *EFTPS-Phone*
- **EFTPS enables taxpayers to…**
  - *Pay day or night*
  - *Schedule tax payments up to 120 days in advance (businesses) or 365 days in advance (individuals)*
  - *View 16 months of payment history online*
  - *For each transaction receive an EFTPS Acknowledgement number which acts as a receipt*
  - *With EFTPS-OnLine receive an instant, printable acknowledgement of each transaction.*

EFTPS Facts

- **Business and individual taxpayers can make all their federal tax payments directly to EFTPS.**
- **Third party providers (accountants, payroll companies, tax practitioners) can use EFTPS to make multiple payments for many clients at the same time.**
- **EFTPS is the largest electronic tax payment system in the world, with approximately 380 million payments made, totalling 9 trillion dollars since its inception in 1996, through fiscal year 2003.**
- **EFTPS dedicated Customer Service staff is knowledgeable, accessible, and responsive to taxpayers, and accessible 24 hours a day, 7 days a week.**
- **For taxpayers, EFTPS makes paying taxes easier, and reduces errors and penalties...for the government, EFTPS improves the flow and accuracy of funds into the U.S. Department of Treasury.**

EFTPS – Highlights and Facts

EFTPS Fast Facts

Total Payments *(11/07/96 - 09/30/03)*		**378,073,673**
Total Dollars Received *(11/07/96 - 09/30/03)*		**$ 9.129 trillion**
Average Payment		**$ 24,146**
Daily Average Dollar Amount Received		**$ 5,226,044,119**
Largest One Day Dollar Amount Received *(01/02/02)*		**$ 54,928,915,871.31**
Largest One-Day Payment Volume Received *(04/30/03)*		**1,680,561**
New Enrollments *(as of 09/30/03)*		**4,402,931**
■ *Business*	**4,290,750**	
■ *Individual*	**112,181**	

EFTPS-OnLine Statistics *(included in above)*

Payments to date *(09/06/01 - 09/27/03)*	**5,858,266**
Dollars Received to date *(09/06/01 - 09/27/03)*	**$ 135 billion**
Average Payment *(as of 09/27/03)*	**$ 23,044**
Web Enrollments *(as of 09/27/03)*	**222,111**

About Express Enrollment

EXPRESS ENROLLMENT FOR NEW BUSINESSES

Overview of Express Enrollment

Express Enrollment was developed to encourage new businesses to use this efficient, cost saving method of paying all federal taxes. Since obtaining an EIN is one of the first steps in establishing a new business, educating prospective employers and pre-enrolling them in EFTPS, will give them an opportunity to choose the government's free electronic payment program, rather than using paper coupons. Plus, Express Enrollment expedites the enrollment process, allowing the business taxpayer an opportunity to make payments as soon as their enrollment is activated. Usually enrollment in EFTPS takes approximately two weeks to process after receipt of taxpayer information.

Beginning in January 2004, all businesses receiving a new EIN (Employer Identification Number) that have a federal tax obligation will be automatically pre-enrolled in EFTPS to make all their Federal Tax Deposits. IRS processes approximately 250,000 new EINs each year.

When they receive their EIN, they will also receive a separate mailing containing an EFTPS PIN (Personal Identification Number) and instructions for activating their enrollment.

New Business Taxpayers will activate their enrollment by calling an 800-number and entering their banking information and completing an authorization for EFTPS to transfer funds from their account to Treasury's account for tax payments per their instructions.

Taxpayers will still have the option to order FTD coupons from the IRS.

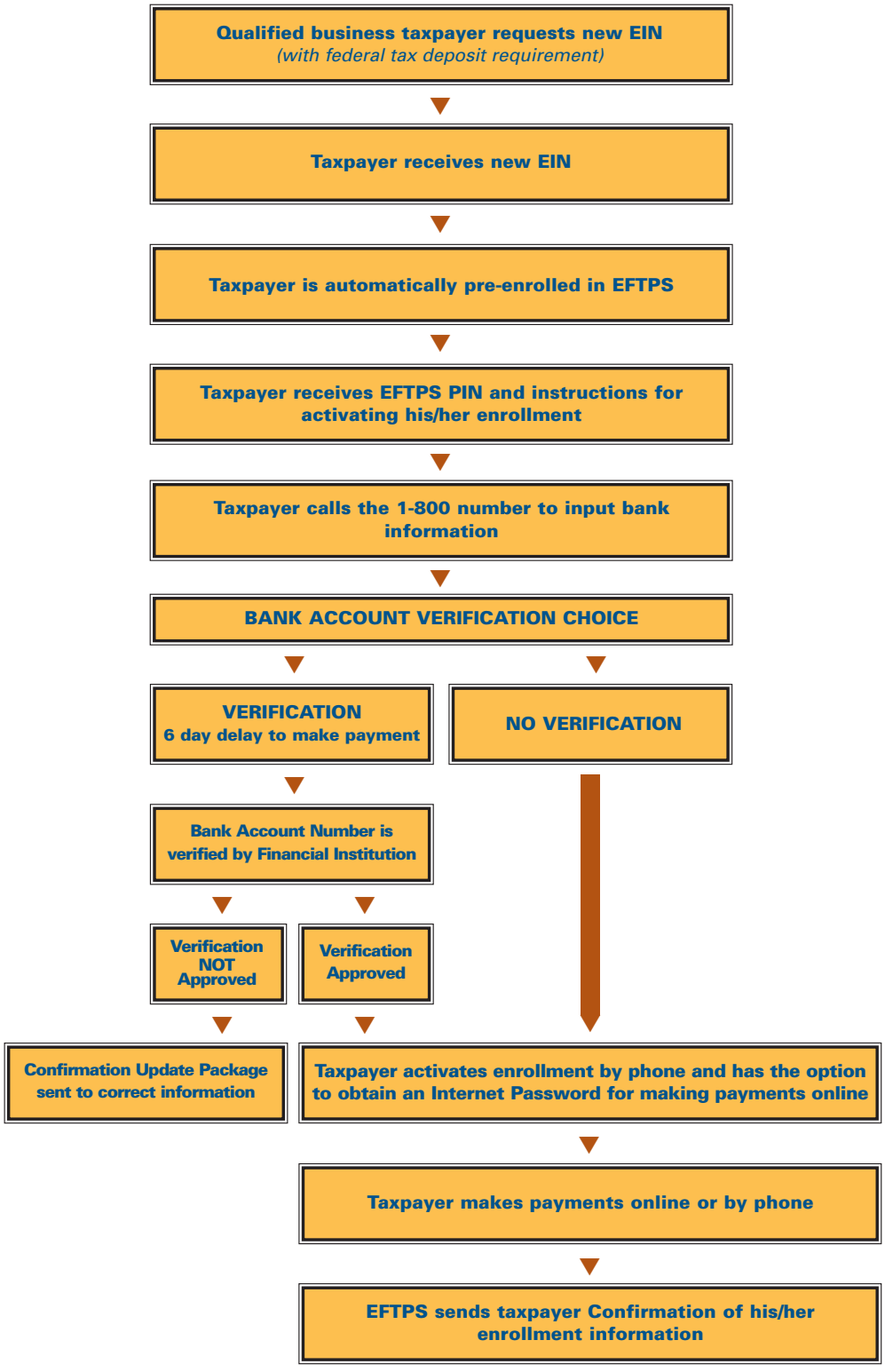
Business taxpayers only

Although EFTPS is offered to both businesses and individuals, Express Enrollment is available only to business taxpayers requesting a new EIN that have federal tax obligations.

By phone, online, or through the mail, business taxpayers complete Form SS-4, Request for Employer Identification Number.

Those businesses that indicate they will have employees and therefore Federal Tax Deposit (FTD) requirements on Form SS-4 are the businesses that will be pre-enrolled in EFTPS through this special program.

Pre-Enrollment Process



Easy Enrollment Activation

When new business taxpayers receive their EFTPS PIN package, they will be instructed to follow these steps to activate their EFTPS enrollment:

1. *Call the 800-number listed in their EFTPS PIN package. They will follow the instructions they hear from the voice response system.*
2. *Enter their financial institution information (bank and account number)*
3. *Choose if they want their bank to verify that the account number they entered is a valid number. Verification will delay making a payment by approximately 6 days.*

   If they choose not to have their bank account verified, they can begin making payments through EFTPS once all the activation steps have been completed.
4. *Authorize withdrawals of electronic payments from their account*
5. *Enter their phone number*
6. *Write down the EFTPS Confirmation Number they hear*
7. *The voice response system will offer taxpayers the option of obtaining an Internet Password so they can make payments online.*

EFTPS dedicated Customer Service numbers are listed for taxpayers to call with any questions, 24 hours a day, 7 days a week. 1-800-555-4477 or 1-800-945-8400.

Questions and Answers About Express Enrollment

Q. What is Express Enrollment for New Businesses?

A. This new initiative allows business taxpayers with a federal tax obligation to begin making their Federal Tax Deposits (FTDs) more quickly and accurately through EFTPS. When they request any EIN from the IRS, they will be pre-enrolled in EFTPS so they can make all their payments electronically.

This process will greatly reduce the length of time required for taxpayers to begin making tax payments. For taxpayers, EFTPS makes paying taxes easier and relieves the burden of using coupons and checks. For the government, EFTPS improves the flow and accuracy of funds into Treasury.

Q. How does Express Enrollment for New Businesses work?

A. Beginning in January 2004, all businesses issued a new EIN (Employer Identification Number) will be pre-enrolled in EFTPS to make all their federal tax payments if they will have federal tax obligations.

When they receive their EIN, they will also receive a separate mailing containing instructions for activating their EFTPS enrollment.

Q. Who can use Express Enrollment for New Businesses?

A. After January 1, 2004, all businesses requesting a new EIN, who indicate they have federal tax obligations, and who receive the EFTPS enrollment activation mailing (that includes their PIN) can use Express Enrollment for new businesses.

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Q. Can businesses still use FTD coupons?

A. The taxpayer will receive from the IRS the EIN, IRS Notice (CP 575) and one coupon. Thereafter, taxpayers will have the option to order more FTD coupons from the IRS if they wish to make additional payments by check. However, it will require a 5-6 week wait for coupons to arrive by mail.

Q. How do taxpayers activate their EFTPS enrollment?

A. Taxpayers receive instructions by mail shortly after receiving their EIN. They are instructed to follow these steps to activate their EFTPS enrollment:

1. *Call the 800-number listed in their EFTPS PIN package. Follow the instructions they hear from the voice response system.*
2. *Enter their financial institution information (bank and account number)*
3. *Choose to have the bank verify that the account number entered is a valid number*

   > NOTE: If taxpayers choose not to have their bank account information verified, they can begin making payments after all the activation steps have been completed. If they wish to have their account verified, it will delay making a payment by approximately six business days.

4. *Authorize withdrawals of electronic payments from their account*
5. *Enter their phone number*
6. *Write down the EFTPS Confirmation Number*

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7. *The voice response system will offer taxpayers the option of obtaining an Internet Password so they can make payments online*
8. *Taxpayers will receive an EFTPS Confirmation/Update package which contains a Confirmation/Update Form, an EFTPS Payment Instruction Booklet and an Internet Password Brochure.*

EFTPS dedicated Customer Service numbers are listed for taxpayers to call with any questions, 24 hours a day, 7 days a week: 1-800-555-4477 or 1-800-945-8400.

Q. How does this differ from regular EFTPS?

A. Usually taxpayers enroll in EFTPS by completing a paper enrollment Form 9779, or by going online (www.eftps.gov) to enter their information. Once the taxpayer's enrollment information is received by EFTPS, it takes approximately two weeks to process. Express Enrollment completes that step in advance for new businesses with tax obligations. Once taxpayers activate their EFTPS enrollment (via the phone) and obtain an Internet Password, they can then make payments using EFTPS, online or by phone.

Q. Can taxpayers use the Internet right away to make payments?

A. Yes. Once taxpayers activate their enrollment and obtain an Internet password, they can make payments immediately if they chose not to have their bank account verified. If they

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chose to have their bank account number verified, they will need to wait an additional six business days.

Q. How will taxpayers know if their payments have been made?

A. For each payment made through EFTPS, the taxpayer receives an immediate acknowledgement number that can be used to track the payment and communicate with IRS. This acknowledgement number acts as a receipt for the payment. Taxpayers can go online (www.eftps.gov) or call EFTPS Customer Service to review up to 16 months of their payment history.

Q. What if a business taxpayer chooses not to activate the EFTPS enrollment?

A. While the taxpayer has the option not to activate their EFTPS enrollment, EFTPS will periodically encourage taxpayers via mail, to consider using EFTPS.

EFTPS Express Enrollment Materials

EXPRESS ENROLLMENT FOR NEW BUSINESSES

EFTPS Express Enrollment Materials

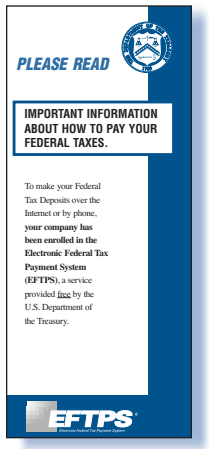
EFTPS Express Enrollment Materials

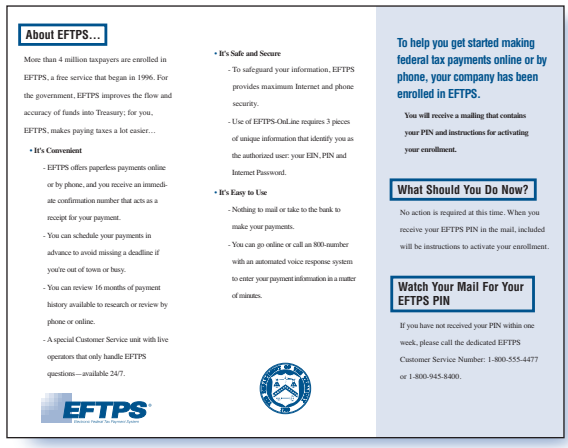
The following materials have been developed specifically for Express Enrollment. These materials have been reviewed by a select group of business taxpayers, and modified based on the research results.

1. Publication 4248 will be inserted into the package containing the EIN, explaining that taxpayers will be pre-enrolled in EFTPS, and to watch for their PIN in the mail.

(Note: one coupon will be included in this package allowing the taxpayer to choose between the paper and electronic methods. For more coupons the taxpayers will need to call the IRS.)

Pub# 4248
Cat# 37391K

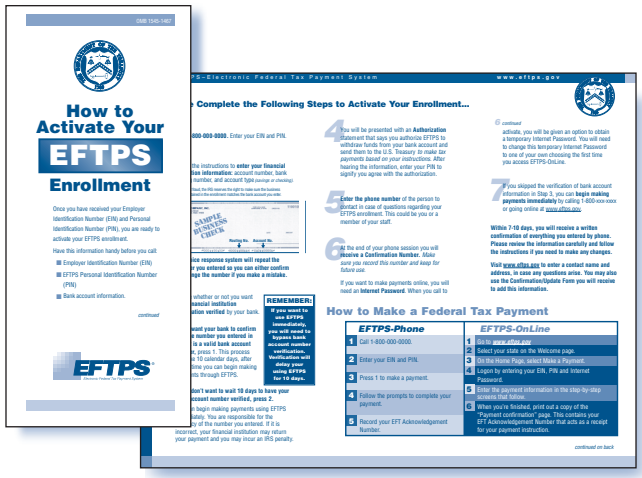




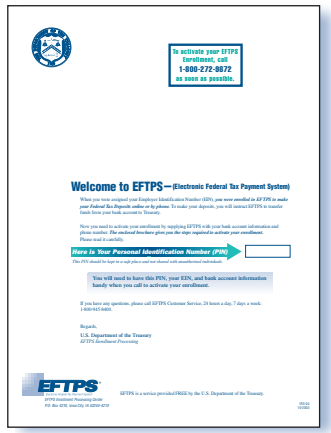
2. Within approximately two days following the EIN mailing, the taxpayer will receive an EFTPS PIN package which includes:

- *A letter containing their PIN*
- *"How To Activate your EFTPS Enrollment" Brochure*

Brochure



Letter



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EFTPS Express Enrollment Materials

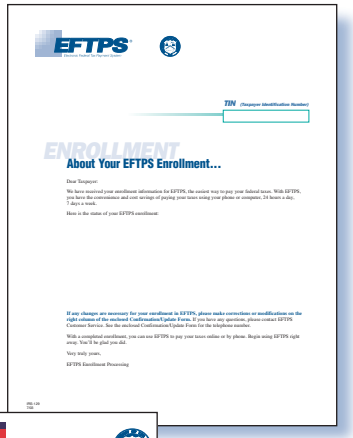
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3. Approximately 7-10 days after the Enrollment has been activated, an EFTPS Confirmation/Update Package will be sent to the taxpayer which includes:

- *Cover letter*
- *Confirmation/Update Form for any changes to Enrollment information*
- *Payment Instruction Booklet*
- *Password Brochure (to obtain Password for Internet usage)*

This is the identical "Confirmation/Update" package sent out to all successful enrollees in EFTPS.

Enrollment Status Letter


EFTPS

TIN (Taxpayer Identification Number)

ENROLLMENT

About Your EFTPS Enrollment...

Dear Taxpayer:

We have received your enrollment information for EFTPS, the easiest way to pay your federal taxes. With EFTPS, you have the convenience and cost savings of paying your taxes using your phone or computer, 24 hours a day, 7 days a week.

Here is the status of your EFTPS enrollment:

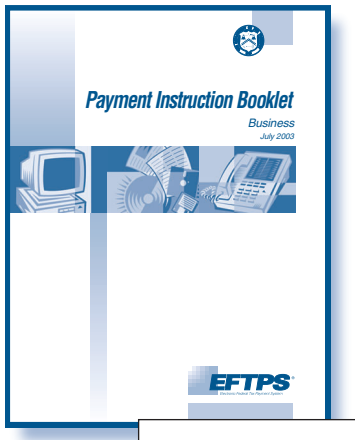
If any changes are necessary for your enrollment in EFTPS, please make corrections or modifications on the right column of the enclosed Confirmation/Update Form. If you have any questions, please contact EFTPS Customer Service. See the enclosed Confirmation/Update Form for the telephone number.

With a completed enrollment, you can use EFTPS to pay your taxes online or by phone. Begin using EFTPS right away. You'll be glad you did.

Very truly yours,

EFTPS Enrollment Processing

Payment Instruction Booklet (PIB)

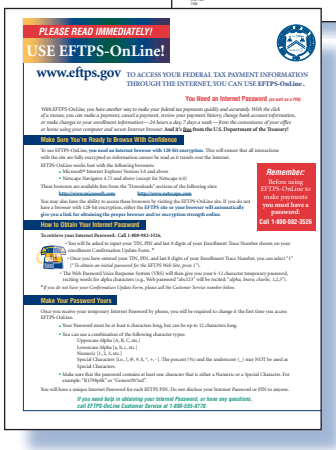

Payment Instruction Booklet

Business

July 2003

EFTPS

Password Brochure


PLEASE READ IMMEDIATELY!

USE EFTPS-OnLine!

www.eftps.gov TO ACCESS YOUR FEDERAL TAX PAYMENT INFORMATION THROUGH THE INTERNET, YOU CAN USE EFTPS-Online.

You Need an Internet Password (or will act as a PIN)

With EFTPS-OnLine, you have another way to make your federal tax payments quickly and securely. With the click of a mouse, you can make a payment, cancel a payment, review your payment history, change bank account information, or make changes to your enrollment information—24 hours a day, 7 days a week—from the convenience of your office or home using your computer and secure Internet browser. And it's free from the U.S. Department of the Treasury!

Make Sure You're Ready to Browse With Confidence

To use EFTPS-OnLine, you need an Internet browser with 128-bit encryption. This will ensure that all interactions with the site are fully encrypted so information cannot be read as it travels over the Internet.

EFTPS-OnLine works best with the following browsers:

- Microsoft® Internet Explorer Version 5.0 and above
- Netscape Navigator 4.75 and above (except for Netscape 6.0)

These browsers are available free from the "Downloads" sections of the following sites:

http://www.microsoft.com http://www.netscape.com

You may also have the ability to access these browsers by visiting the EFTPS-OnLine site. If you do not have a browser with 128-bit encryption, either the EFTPS site or your browser will automatically give you a link for obtaining the proper browser and/or encryption strength online.

Remember: Before using EFTPS-OnLine to make payments you must have a password: Call 1-800-945-3526

How To Obtain Your Internet Password

To receive your Internet Password, Call 1-800-945-3526.

- You will be asked to input your TIN, PIN, and last 8 digits of your Enrollment Trace Number shown on your enrollment Confirmation Update Form.*
- Once you have entered your TIN, PIN, and last 8 digits of your Enrollment Trace Number, you can select "1" ("To obtain an initial password for the EFTPS Web Site, press 1").
- The Web Password Voice Response System (VRS) will then give you your 6-12 character temporary password, reciting words for alpha characters (e.g., Web password "abc123" will be recited, "alpha, bravo, charlie, 1,2,3").

*If you do not have your Confirmation Update Form, please call the Customer Service number below.

Make Your Password Yours

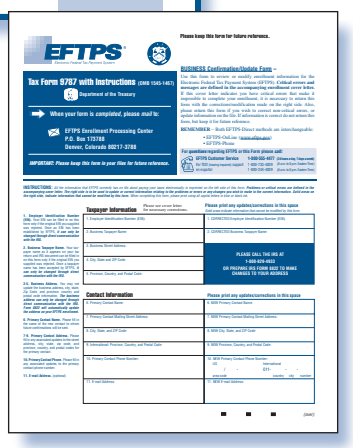
Once you receive your temporary Internet Password by phone, you will be required to change it the first time you access EFTPS-OnLine.

- Your Password must be at least 6 characters long, but can be up to 12 characters long.
- You can use a combination of the following character types:
  Uppercase Alpha [A, B, C, etc.]
  Lowercase Alpha [a, b, c, etc.]
  Numeric [1, 2, 3, etc.]
  Special Characters [+, -, !, @, #, $, *, =, ~]. The percent (%) and the underscore (_) may NOT be used as Special Characters.
- Make sure that the password contains at least one character that is either a Numeric or a Special Character. For example: "R1!Nphil&" or "Connor86!Sad".

You will have a unique Internet Password for each EFTPS PIN. Do not disclose your Internet Password or PIN to anyone.

If you need help in obtaining your Internet Password, or have any questions, call EFTPS-OnLine Customer Service at 1-800-555-8778.

Confirmation Update Form


Please keep this form for future reference.

EFTPS

Tax Form 9787 with Instructions (CP49 11945-140T)

Department of the Treasury

When your form is completed, please mail to:

EFTPS Enrollment Processing Center
P.O. Box 173788
Denver, Colorado 80217-3788

IMPORTANT: Please keep this form in your files for future reference.

BUSINESS Confirmation/Update Form –

Use this form to review or modify enrollment information for the Electronic Federal Tax Payment System (EFTPS). Critical errors and changes are shown in the right column of the enclosed Tax Form 9787. If this cover letter indicates you have critical errors that make it impossible to complete your enrollment, it is necessary to return this form with the corrections/modifications made on the right side. Also, please return this form if you wish to correct non-critical errors, or make changes to your enrollment. Applications or contracts do not return this form, but keep it for future reference.

REMEMBER – Both EFTPS-Direct methods are interchangeable:

- EFTPS-OnLine (www.eftps.gov)
- EFTPS-Phone

For questions regarding EFTPS or this Form please call:

EFTPS Customer Service 1-800-555-4477 (Citizens in top 3 time zones)
for TDD (hearing impaired) support 1-800-733-4829 (From All Over Eastern Time)
1-800-555-3676 (From All Over Eastern Time)

INSTRUCTIONS All the information that EFTPS currently has on file about paying your taxes electronically is reported on the left side of this form. Problems or critical errors are outlined in the corresponding error titles. The right side is to be used to update or correct information relating to the problems or errors as shown on the left side. Indicate information that cannot be modified by this form. When completing this form, please print using all capital letters in a dark or black ink.

Please print any updates/corrections in this space

Taxpayer Information

1. Employer Identification Number (EIN)
2. CORRECTED Employer Identification Number (EIN)
3. Business Taxpayer Name
4. Business Street Address
5. City, State and ZIP Code
6. Province, Country, and Postal Code

PLEASE CALL THIS IRS AT 1-800-829-4933 OR PREPARE IRS FORM 8822 TO MAKE CHANGES TO YOUR ADDRESS

Please print any updates/corrections in this space

Contact Information

7. Primary Contact Name
8. Primary Contact Mailing Street Address
9. City, State, and ZIP Code
10. International: Province, Country, and Postal Code
11. Primary Contact Phone Number
12. Primary Contact Fax Number
13. E-mail Address (optional)

EFTPS Background Information

EXPRESS ENROLLMENT FOR NEW BUSINESSES

EFTPS Background Information

The following is background information about EFTPS so that you have a basic understanding of EFTPS.

A Service that Benefits Everyone

EFTPS makes paying federal taxes easy and convenient.
By enrolling in EFTPS, taxpayers make their federal tax payments electronically from the convenience of office or home, using EFTPS-OnLine or EFTPS-Phone.

EFTPS eliminates the need for taxpayers to complete Federal Tax Deposit (FTD) coupons, write a check, and take that check and coupon to a financial institution or the Post Office on the tax due date.

- **Easy to use**
  - *EFTPS-OnLine or EFTPS-Phone—system prompts the taxpayer for information*
- **Convenient**
  - *Available 24 hours a day, 7 days a week*
  - *Schedule payments in advance (120 days for businesses and 365 days for individuals)*
  - *Retrieve 16 months of payment history*
  - *On-line or phone payment methods are interchangeable and both be used at the taxpayer's convenience*
  - *Receive an immediate acknowledgement of payment instructions*
- **Secure**
  - *Personal Identification Number (PIN), along with an Internet Password gives heightened security online*

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- *Taxpayer bank account information is not accessible by the IRS*
- *All EFTPS data is protected using the strongest available encryption*

■ **Fast**

- *A payment can be made in a matter of minutes*

■ **Accurate**

- *IRS research has shown that non-EFTPS users are 31 times more likely to receive a penalty than EFTPS users.*
- *EFTPS is 99.9% accurate.*

Tax Types and EFTPS

Taxpayers can use EFTPS to pay all their federal taxes—corporate and individual:

- **Federal Business taxes such as payroll taxes (940/941, 943) and business tax returns (1120), and all other business taxes.**
- **Individual taxes such as 1040/1040ES/estate/gift taxes**

EFTPS Background Information

Payment Options

Taxpayers will make their federal tax payments directly to EFTPS by using EFTPS-OnLine or EFTPS-Phone. On their enrollment form, they provide the bank account and routing number of their financial institution.

EFTPS includes

- **EFTPS-OnLine**
  - ➤ *Requires secure web browser and Internet access.*
- **EFTPS-Phone**
  - ➤ *Automated voice response system accessible through toll-free number.*

Taxpayers can use both payment methods interchangeably, and can access EFTPS from anywhere by phone or Internet.

Payment and Information Flow

Taxpayers are in control of initiating all federal tax payments through EFTPS.

Taxpayers' accounts are only debited at the taxpayer's instructions, and only tax payment information is sent electronically to the IRS for updating taxpayer records.

All EFTPS-OnLine data is protected using the strongest available encryption.

Payment Options

Here's how EFTPS works

STEP 1 By 8:00 p.m. ET at least one calendar day prior to tax due date, taxpayers enter federal tax payment information using EFTPS-OnLine or EFTPS-Phone, review the information, and initiate the payment.

STEP 2 Taxpayers can print out or record the Electronic Funds Transfer (EFT) Acknowledgement Number they receive during their payment session for future reference or inquiry.

STEP 3 Per the taxpayers' instructions, EFTPS will automatically debit the indicated bank or credit union account and will transfer the funds to Treasury on the date indicated by the taxpayer. Tax records will then be updated with the IRS.

Taxpayers can access EFTPS-OnLine or EFTPS-Phone to cancel or change a payment up to two business days in advance of the scheduled settlement date. Only those payments due to settle at least two business days into the future can be changed or cancelled.

Business taxpayers may schedule payments up to 120 days in advance of payment due date. Individual taxpayers may schedule payments up to 365 days in advance of due date.

The taxpayer will receive an EFT Acknowledgement Number which acts as a "receipt" for future reference or inquiry.

Payment History

EFTPS gives taxpayers the ability to review their payment history through EFTPS-OnLine or by calling Customer Service. When using EFTPS OnLine all EFTPS transactions for the last 16 months are contained within the Payment History section—even those payments made by third party providers.

- **On the Payment History screen on EFTPS-OnLine, taxpayers see all federal tax payments made through EFTPS for their respective TIN, including those scheduled to be made in the future.**

- **The detailed Payment History section contains all information associated with a payment including…**
  - *EFT Acknowledgement Number*
  - *Settlement date*
  - *Tax Form*
  - *Initiation date and time*
  - *Tax period*
  - *Amount*
  - *Input method (EFTPS-OnLine, EFTPS-Phone, etc.)*

- **Payment history as shown in EFTPS-OnLine is displayed in real time—once a payment is submitted to EFTPS-OnLine, taxpayers can view their history, verify the payment, and view their EFT Acknowledgement Number.**

Contacts

Financial Management Service (FMS)

■ Public Affairs	202-874-6740
■ Website	www.fms.treas.gov/eftps

Internal Revenue Service (IRS)

■ Media Relations	202-622-4000
■ Website	www.irs.gov
	(Use Search: EFTPS Express Enrollment)

EFTPS Customer Service

1-800-555-4477

1-800-945-8400

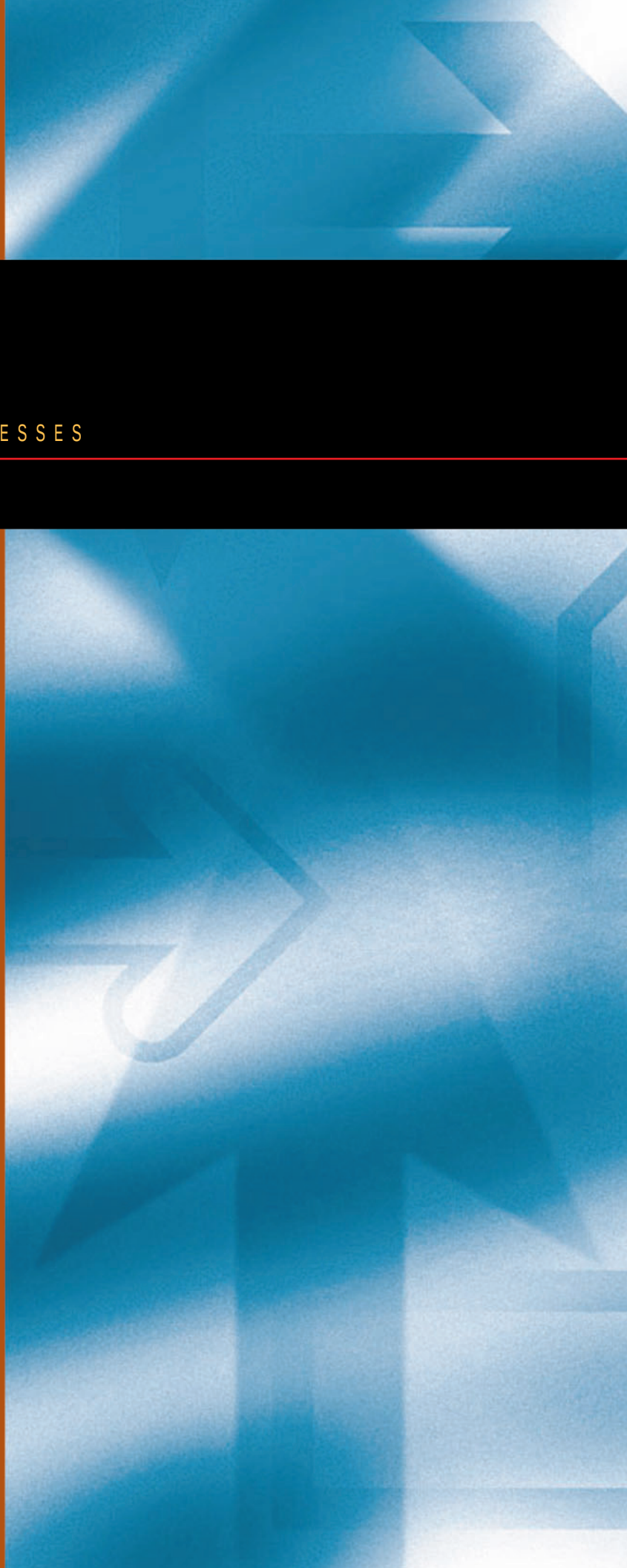
IRS Employee Contact

202-283-0474

Tom Davis, EFTPS Product Manager

EFTPS-OnLine www.eftps.gov

EXPRESS ENROLLMENT FOR NEW BUSINESSES



EFTPS®
Electronic Federal Tax Payment System

IRS
Department of the Treasury
Internal Revenue Service

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