

## **American Payroll Association**

### **New EFTPS 'Inquiry PIN' Allows Employers to Ensure FTDs Are Correct**

The IRS advises that beginning this year, clients of payroll service providers are receiving "Inquiry PINs" from EFTPS, the Electronic Federal Tax Payment System, to monitor the EFTPS transactions made by third-party providers on their behalf

[\[www.irs.gov/uac/EFTPS-The-Electronic-Federal-Tax-Payment-System\]](http://www.irs.gov/uac/EFTPS-The-Electronic-Federal-Tax-Payment-System).

An Inquiry PIN (personal identification number) will automatically be sent:

- When payroll service providers enroll clients in EFTPS.
- To taxpayers that have had activity on their EFTPS account over the prior 12 months.

*Note:* Employers using third-party payroll service providers are responsible for their tax obligation if federal tax deposits (FTDs) are not made or are not timely.

***The IRS elaborates.*** During the monthly payroll industry conference call on June 5, an IRS representative:

- Emphasized that the vast majority of third-party payroll providers are highly reputable.
- Explained that Inquiry PINs give employers access to their account without requiring them to provide any banking information.
- Explained that Inquiry PINs allow employers to view 16 months of their account history.
- Said that, so far, more than 625,000 Inquiry PINs have been issued to employers that are clients of batch providers (i.e., small providers); the Service plans to issue Inquiry PINs to clients of bulk providers (i.e., large providers like ADP) late this

year and into 2015.

- Less than 3% of the Inquiry PIN letters had been returned for having incorrect addresses or another reason.