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**IRS reminds employers about the benefits of EFTPS**

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WASHINGTON — The Internal Revenue Service today wants small business owners who are employers to know that the Electronic Federal Tax Payment System has features that can help them in meeting their tax obligations. EFTPS can help employers whether they prepare and submit payroll taxes themselves or if they hire a payroll service provider to do it on their behalf.

Many employers outsource to third-party payroll service providers some or all their payroll and related tax duties, such as tax withholding, reporting and making tax deposits. Third-party payroll service providers can help assure filing deadlines and deposit requirements are met and streamline business operations. Most payroll service providers administer payroll and employment taxes on behalf of an employer, where the employer provides the funds initially to the third party. They also report, collect and deposit employment taxes with state and federal authorities.

Treasury regulations require that employment tax deposits be made electronically and employers should ensure their third-party payer uses the Electronic Federal Tax Payment System (EFTPS).

EFTPS helps employers keep an eye on their tax responsibilities, even if they have hired a payroll service provider. EFTPS is secure, accurate, easy to use and provides an immediate confirmation for each transaction. Anyone can use EFTPS. The service is offered free of charge from the U.S. Department of Treasury and enables employers to make and verify federal tax payments electronically 24 hours a day, seven days a week through the internet or by phone.

Additionally, employers who use payroll service providers can verify that payments are made by using EFTPS online. The EFTPS webpage has [information](https://www.eftps.gov/eftps/direct/FAQGeneral.page#payrollOutsourcing) for employers who use payroll service providers. For more information, employers can enroll online at [EFTPS.gov](https://www.eftps.gov/eftps/), or call EFTPS Customer Service at 800-555-4477 for an enrollment form.  
  
The IRS recommends that employers do not change their address of record to that of the payroll service provider as it may limit the employer’s ability to be informed of tax matters.

**Inquiry PIN**  
Third parties making tax payments on behalf of an employer will generally enroll their clients in the EFTPS under their account. This allows them to make deposits using the employer’s Employer Identification Number (EIN).  
  
When third parties do this, it may generate an EFTPS Inquiry PIN for the employer. Once activated, this PIN allows employers to monitor and ensure the third party is making all required tax payments. Employers who have not been issued Inquiry PINs and who do not have their own EFTPS enrollment should register on the EFTPS system to get their own PIN and use this PIN to periodically verify payments. A red flag should go up the first time a service provider misses or makes a late payment.  
  
Employers enrolled in EFTPS can make up any missed tax payments and keep making tax payments if they change payroll service providers in the future. They can also update their information to receive email notifications about their account’s activities. Access to this feature requires a PIN and password for the system.  
  
Once they opt-in for email notifications, they’ll receive notifications about payments they submit including those made by their payroll service provider. Email notification messages show:

* Payments scheduled
* Payment cancellation
* Return of payments
* Reminders of scheduled payments

Employers who believe that a bill or notice received is a result of a problem with their payroll service provider should contact the IRS as soon as possible by calling or writing to the IRS office that sent the bill, calling 800-829-4933 or making an appointment to visit a local IRS office.

If an employer suspects their payroll service provider of improper or fraudulent activities involving the deposit of their federal taxes or the filing of their returns, they can file a complaint with the Return Preparer Office using [Form 14157,](https://www.irs.gov/pub/irs-pdf/f14157.pdf) Complaint: Tax Return Preparer. A check-box on Form 14157 allows the employer to select “Payroll Service Provider” as the subject of the complaint. Once received, Form 14157 complaints will receive expedited handling and investigation.

For more information about IRS notices, bills and payment options, refer to [Publication 594](https://www.irs.gov/pub/irs-pdf/p594.pdf), The IRS Collection Process.

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