Get the facts: Planning for the transition from EFTPS to T2C

Thursday, July 28, 2022

Start Time: 11 a.m. Eastern / 10 a.m. Central
9 a.m. Mountain / 8 a.m. Pacific

Note: You should be hearing music while waiting for webinar to start.

Having Technical Issues?
View the "Technical Issues" troubleshooting guide in the Materials drop-down menu on the left side of this page

By the end of this webinar, participants will:

- Understand the new electronic federal tax payment platform and initiative, Transforming Tax Collections (T2C)

- Know the status of the T2C project and plan for the transition from the Electronic Federal Tax Payment System (EFTPS) to T2C

- Know how T2C will affect EFTPS Batch Provider Software users

- Understand the benefits of making electronic payments for both you and your clients

- Identify current electronic payment options for paying federal tax liabilities for you and your clients

Overview

T2C is a multi-year initiative designed to modernize electronic tax collections and transform the taxpayer experience through process workflow improvements and the latest technological advancements.

T2C will transform the taxpayer experience by offering modern, state-of-the-art features, improved customer service, operations and enhanced safeguards.

It is expected to have an impact on current Electronic Federal Tax Payment System (EFTPS) users, including individual taxpayers, businesses and operators.

(T2C) Program Approach

- The current EFTPS system is supported by a financial agent. We are moving to a fiscal agent. Therefore, it is not feasible to incrementally replace the current system.

- We are focused on delivering a reusable enterprise solution strategically aligned with all modernization initiatives.

- The T2C initiative is customer- and data-driven and enterprise-focused.

- With all customers at the heart of the T2C initiative, we will leverage agile principles to deliver an intuitive solution which is defined by the needs of our core customers.

(T2C) Program Approach

- We will explore commercial off-the-shelf (COTS) products to determine if any meet the business, security, and High Value Asset (HVA) requirements.

- We are utilizing an agile project management strategy and an agile development methodology to receive real-time feedback from the customer.

- We are using an iterative approach. Through test-driven development, continuous integration, automated testing, and continuous delivery, we will ensure that the code meets the requirements and successfully builds upon prior releases.

T2C Status & Transition

T2C will provide timelines and status information that will be of interest to tax professionals and third-party providers on:

- Current Status (what has been accomplished, current project development efforts)

- High-level production ready dates

- Transition dates for batch provider software users

- Application Programming Interface (API) readiness dates

- Third-party user technical transition plan

Start Date	October 2019
Target Completion	FY 2025 Q1 (under review)
Program Support Provided By	Fiscal Service & Federal Reserve
Impacted HVA(s)	EFTPS, Debit Gateway

T2C Customer Research

To date, over **20 user research projects** have been conducted by the T2C Customer Experience (CX) and User Experience (UX) team with **250 current EFTPS users** across five segments:

1. Bulk
2. Batch
3. Third-party EFTPS Website Users
4. Businesses
5. Individuals

This includes the different EFTPS interfaces:

- Direct Integration
- Batch Filer Software
- EFTPS.gov Website

We've talked to 250 users across five customer segments

ELECTRONIC FEDERAL EFTPS TAX PAYMENT SYSTEM®

T2C Customer Research

Our overall research objectives are to:

- Understand current usage patterns and processes/behavior
- Learn what users like and dislike about their current experience = needs and frustrations
- Identify areas for improvement, potential new functionality
- Gain input on layout preferences, terminology, and workflow
- Testing of new concepts, prototyping, and features
- Understand opportunities for improved support

T2C User Council

We've established the **T2C User Council.** This panel consists of EFTPS users across the five user segments who participate in research

The input of panel members is key to our ability to develop an improved interface that meets the needs of all users

We need more third-party batch and web users for our panel.

T2C Research: What We Learned

Research to date has yielded several interesting findings among batch filer users and other tax professionals:

- A web interface is seen as a viable and needed alternative to batch filer software – *if it is easy and secure*

- Terminology and flow used in the software should be maintained on the website

- File format errors are not a regular occurrence with file uploads; more often it is data matching, etc.

T2C Research: What We Learned

MANY BATCH USERS:

- Utilize EFTPS for enrollment, but use Automated Clearing House (ACH) credit for payments

- Save and print payment confirmations via screen shots – an alternative to this would be welcome

- Have automated their file transfers (i.e., API) with other tax entities and would potentially be open to doing this with Federal

T2C Research: What We Learned

CHALLENGES:

- Notifications and communications are lacking in batch filer and there is room for improvement

- There is room for improvement in layout and design improvements with both the Batch software (and the EFTPS website)

- Most users are not in love with the name EFTPS (it is hard to explain), but it is seen as trustworthy and has recognition (but not by clients)

T2C Customer Impact

OVERVIEW

Overall, T2C customer research with third-party professionals suggests general satisfaction and trust with their current EFTPS payment experience, but with many opportunities to improve and update both the EFTPS batch software and the EFTPS.gov website.

T2C Customer Impact

The T2C experience team continues to validate improvement opportunities with users in order to **design an experience** that fits their needs and meets expectations:

- Need for a **single source of data** for transparency & accuracy

- Improvements in automation & reduction in time to task completion

- Improved, **flexible access** to complete tasks anytime, anywhere

- Ability to **personalize** the experience and self-service issues

- Improved communication, notifications, and support options

T2C Customer Impact & Benefits

Current Plan

The current plan is to sunset the batch filer software and:

1. Create a central web interface for use by all third-party professionals
   - For both single and batch enrollment/payment file uploads

2. Explore an alternative API option to automate file transfer

3. Develop improved web interface features and capabilities:
   - Enhanced security
   - Real-time error messaging
   - Better communication and notifications
   - New search and download reporting features
   - Develop flexible login options
   - Improved support options
   - Improved layout, design, and workflow (ease of use)

# Benefits of Electronic Payments for Federal Tax Liabilities

- **Free** – Most payment options are free

- **Faster and more accurate** than mailing a paper payment

- **Convenient** – Make your payment from anywhere you have phone or internet access. Available 24/7/365. Schedule payments up to 365 days in advance

- **Payment Verification** – Customer will receive a confirmation number immediately after payment is submitted to verify timeliness of payment

- **Email Confirmation** – Customer can also opt-in to receive email confirmation of their payment

Electronic Payment Options for You & Your Clients

- Batch Provider Software
  - Make multiple federal tax payments for your clients
  - Use client's banking information or provider's master account to fund payments
  - Clients can view payment history on EFTPS
- Electronic Funds Withdrawal
- IRS Online Account
- IRS Direct Pay
- Card Payment Providers (debit or credit cards and digital wallets)
- Electronic Federal Tax Payment System (EFTPS)

Online Resources
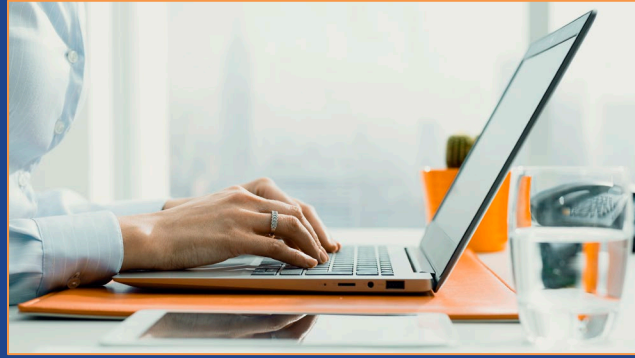
- Watch, "<u>Easy Ways to Pay My IRS Taxes</u>" on the IRS YouTube channel (www.youtube.com/irsvideos)

- Find more payment information at <u>www.irs.gov/payments</u>