

IRM PROCEDURAL UPDATE

DATE: 06/27/2016

NUMBER: wi-21-0616-1138

SUBJECT: Guidance for MFT 31 for Direct Pay; Secure Access eAuthentication

AFFECTED IRM(s)/SUBSECTION(s): 21.2.1

CHANGE(s):

IRM 21.2.1.48.1 - Included guidance on MFT 31 for Direct Pay.

1. IRS Direct Pay is a new payment application available to Individual Master File (IMF) taxpayers through IRS.gov. It is a free service that allows taxpayers to make electronic payments directly to the IRS from their checking or savings accounts. Generally payments will post within 48 hours. This service is free and secure, provides electronic confirmation, and the quickest possible way to make a payment. # [REDACTED]
[REDACTED]
2. Telephone assistors should encourage taxpayers inquiring about paying a balance to utilize IRS Direct Pay as a quick, accurate and easy way to make payments towards their IMF balance.

NOTE: Taxpayers can access Direct Pay online through IRS.gov where they may select the **Payments** tab and follow the instructions.

3. IRS Direct Pay is currently only available to IMF taxpayers. The service can be used for the following payment types:
 - o Installment Agreements
 - o Balance Due Notices
 - o Estimated Tax Payments
 - o Payments with a return
 - o Payments with Extension-to-File.

NOTE: It is not necessary to file a paper Form 4868, *Application for Automatic Extension of Time to File for U.S. F1040 Individual Income Tax Return*, if a taxpayer makes an extension-to-file payment with IRS Direct Pay

- o Payment for adjusted balance due (e.g., CP 2000 or Exam notice)
- o Payment with Amended Return
- o Payments with Form 5329, *Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts*.
- o Individual Shared Responsibility Payments (related to the Affordable Care Act (ACA)).

More payment types may become available in the future. Note that at this time only Form 1040-series payments and associated penalties can be made through IRS Direct Pay.

NOTE: Direct Pay does not accept payments for MFT 31, Separate Assessments.

4. Please advise joint filers using Direct Pay to complete the "Verify Identity" page using the primary filer's information, even if the taxpayer is making an estimated tax payment. This will ensure that the payment is promptly applied to balance due account.
5. **Important:** Taxpayers must have a valid Social Security Number or an eligible ITIN to use Direct Pay. Most, but not all, ITINs are accepted. The majority of ITINs have a fourth and fifth digit that falls in the range of 70-88. These ITINs are accepted by Direct Pay. Any ITIN with the fourth and fifth digit outside of that range is from a new ITIN series, and has not yet been configured to work with the application. A future update will correct this problem..
6. In addition to the ineligible ITIN, the following users can not use Direct Pay:
 - o First-time filers can not use Direct Pay, since the application has no return history information to use for authentication purposes.
 - o Users who have not filed a return in the last six years can not use Direct Pay. The application would not have sufficient filing information for authentication.
 - o Users with a non-U.S. bank routing number. IRS Direct Pay requires a U.S. bank routing number (ABA). This nine-digit number is generally printed on checks or is available from your bank. If the taxpayer has an account with an international bank that has a U.S. affiliate, the bank may be able to provide the routing number.
7. As of April 19, 2014, IRS Direct Pay added new functionality:
 - o The ability to schedule a payment from their savings or checking account up to 30 days in advance. **Important:** This feature is for a single payment and not regular periodic payments. The taxpayer needs to schedule each payment.
 - o Payment status look up.
 - o Payment rescheduling and cancellations.
8. IRS Direct Pay is a self-help application, so the number of phone inquiries should be limited. For more information, see IRM 21.2.1.48.1.1, *Responding to IRS Direct Pay Inquiries*.

NOTE: The IRS Direct Pay web pages are not yet available in Spanish. A Spanish translation is tentatively scheduled to be released in October 2015.

IRM 21.2.1.58 - Added note that an Identity Theft Indicator does not block the use of OPA.

1. Online Payment Agreement (OPA) is an online application on the IRS.gov home page which allows individuals who owe \$50,000 or less in aggregate assessed tax, penalties, and interest, to request a payment agreement. Taxpayers, who owe less than \$100,000 in aggregate assessed tax, penalties, and interest can request a full pay agreement.

NOTE: Taxpayers establishing a monthly payment agreement for balances of \$25,001 to \$50,000 must establish as a Direct Debit Installment Agreement (DDIA) or Payroll Deduction Installment Agreement (PDIA).
2. OPA is accessed by clicking the **Payments** tab on <https://www.irs.gov/> and clicking the **Online Payment Agreement** link.
3. Using OPA, users can receive immediate notification of approval to establish streamlined payment agreements on liabilities reported using the following forms:
 - o Form 1040 (MFT 30, 31)
 - o Form 5329 (MFT 29)
 - o Form 8278 (MFT 55)
 - o Individual Shared Responsibility Payment (MFT 35)
4. OPA allows taxpayers or their authorized representative (Power of Attorney) to self qualify and apply for an installment agreement. Agreements completed through OPA will have an originator code of 82 or 83.
5. OPA offers users the ability to:
 - o Agree to pay now
 - o Arrange a full pay agreement balances less than \$100,000 in aggregate assessed tax, penalties, and interest
 - o Arrange a streamlined monthly payment agreement for individuals who owe \$50,000 or less in aggregate assessed tax, penalties, and interest.
 - o Establish pre-assessed streamlined agreement on current tax year Form 1040 liability for a balance of up to \$50,000.
 - o Establish pre-assessed agreement for the individual shared responsibility payment
 - o Establish a pending agreement if they cannot pay within 72 months or by the CSED and agree to send in financial information
 - o Establish an agreement on any new unassessed assessment resulting from an examination audit, Automated Underreporter (AUR) or Automated Substitute For Return (ASFR) case
6. OPA offers the following types of monthly installment agreements:
 - o Standard
 - o Paperless Direct Debit Installment Agreement (DDIA)
 - o Payroll Deduction Installment Agreement (PDIA)

NOTE: While a PDIA is currently an option (to be removed at a later date), the Form 2159 must still be completed by the taxpayer and their employer

and returned to the IRS before the agreement can be converted to a PDIA on IDRS.

7. OPA will also permit individuals to:
 - o Revise their payment due dates and/or amounts on an existing Standard installment agreement.
 - o Revise an existing short term extension to a monthly payment plan.
 - o Revise a routine installment agreement to a direct debit or payroll deduction plan.
 - o Receive information on delinquent tax returns.
 - o Establish agreements on accounts in notice status or status 22/24

NOTE: An IDT indicator does not block the use of OPA.

8. OPA **cannot** be used to :
 - o Establish tiered payments (multiple payment amounts). Only one payment amount can be input.
 - o Revise a DDIA in any way. This includes adding a liability, changing a payment date, payment amount, updating a routing or account number, or changing an existing DDIA to a regular IA.
 - o Reinstate a defaulted agreement if the taxpayer has defaulted more than twice in the past (TERM-IA) indicator on CC ENMOD
 - o Establish agreements on accounts in status 26 and 72
 - o Add unassessed balances to existing agreements on assessed balances.
 - o Establish agreements with both assessed and unassessed modules.
 - o Establish agreements if the account has an interest or penalty computation hold.
 - o Establish cross-reference agreements.
 - o Establish Manually Monitored Installment Agreements (MMIA).
 - o Establish Non-Streamlined payment agreements.
9. The OPA application determines eligibility, filing compliance, and checks for excluding account conditions. The system verifies that the proposed payment meets the streamlined agreement criteria, and provides a payment estimator tool to help determine a realistic payment amount.
10. Taxpayers register for Secure Access eAuthentication when using the OPA application. By registering, the user creates a user name/password combination which retains the information and expedites future access to OPA. As part of registration, the taxpayer is asked for an email address. A confirmation code is sent to that email address for the taxpayer to continue with the registration process.

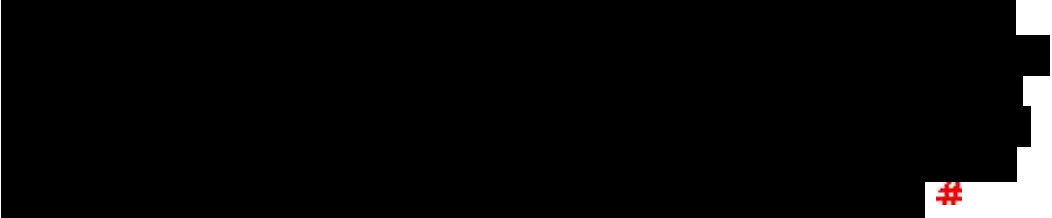
CAUTION: The confirmation code sent to their email is only valid for 15 minutes.

11. The Secure Access eAuthentication application requires the taxpayer to provide the following information:
 - o Name

- o Social Security Number (SSN) or Taxpayer Identification Number (TIN)
 - o Date Of Birth (DOB)
 - o Address
 - o Filing Status (FS)
12. CSRs speaking with taxpayers should encourage taxpayers encountering problems to use the self-help methods available on IRS.gov. CSRs that identify taxpayers calling with a problem, who have internet access available while on the call, should assist by helping the taxpayer to use the self-help methods provided on IRS.gov while on the call. CSRs should encourage the taxpayer to use the self-help method used on the call if the taxpayer encounters any other issues.
13. Taxpayers who want to establish a pre-assessed agreement on a current tax year Form 1040 liability or individual shared responsibility payment prior to a notice being sent are requested to enter the balance they will owe, as shown on their Income Tax Return.
14. Power of Attorneys (POA) who have filed Form 2848 and are authorized to represent a taxpayer may use OPA on their client(s) behalf. To authorize, the POA must enter;
- o Taxpayer's SSN or ITIN
 - o Their Centralized Authorization File (CAF) number, and
 - o Either the six digit Caller ID number from the taxpayer's notice or signature date on Form 2848

This information is used to ensure that the POA is authorized to represent their client in the OPA application. If subsequent Forms 2848 have been filed by the POA, the POA signature date of the most recent Form 2848 will be required. All outstanding tax periods must be included on the most recently filed Form 2848 for the OPA application to process.

15. Taxpayers who want to establish a pre-assessed agreement after receiving notification of new assessment resulting from an examination audit, Automated Underreporter (AUR) or Automated Substitute for Return (ASFR) case are requested to enter the balance they will owe, as shown on their CP 2000 or Notice of Deficiency. They must follow the authentication procedures shown in (10) and (11) above.
16. Power of Attorneys who wish to establish a pre-assessed agreement for their client(s) on a current tax year Form 1040 liability or individual shared responsibility payment , prior to a notice being sent, are requested to enter the balance owed, as shown on their client's Income Tax Return. Power of Attorneys who have filed Form 2848 with the IRS and are authorized to represent their client(s) (the taxpayer) are required to enter their client's SSN or ITIN; if filing jointly, the spouse's SSN or ITIN; the AGI from the client's last year's Income Tax Return; and their own CAF number. This information is used to ensure that the POA is authorized to represent their client in the OPA application.
17. Users are allowed three attempts # [REDACTED]

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18. Transactions that do not post due to system/network problems (e.g., IDRS application down) or account conditions beyond design for the application will be captured in the OPA Management Action Report (MAR) and will be worked by designated personnel in ACS Support and CSCO at Cincinnati (for SBSE), Fresno (for W&I, ACS cases Status 22/24) and Kansas City (for W&I non-ACS cases). For more information, see IRM 5.19.1.5.6.1, *OPA Management Action Reports (MAR)*.

IRM 21.2.1.59 - Updated guidance to clarify procedures for Secure Access eAuthentication.

1. Secure Access eAuthentication is verification software that performs background processing for visible IRS Online applications. It is a common framework used to:
 - o Identity proof
 - o Register individuals, and
 - o Provide credentials for electronic access to IRS systems and applications
2. Secure Access eAuthentication is utilized by three applications:
 1. Get Transcript ONLINE - See IRM 21.2.1.53, *Get Transcript*, for more information.
 2. IP PIN - See IRM 25.23.2.21, *Identity Protection Personal Identification Number (IP PIN)*, for more information.
 3. Online Payment Agreement - See IRM 21.2.1.58, *Online Payment Agreement (OPA) for IMF Debts*, and IRM 21.2.1.58.1, *Online Payment Agreement for Certain BMF Debts*, for more information.
3. Users must register to use Secure Access eAuthentication. When registering, the user creates a username/password combination which expedites future access to IRS systems and applications as their authentication information is retained. As part of registration, the taxpayer is asked for an email address. A confirmation code is sent to that email address for the taxpayer to continue with the registration process.
4. The Secure Access eAuthentication application requires the user provide the following information:
 - o Name
 - o Email
 - o Social Security Number (SSN) or Taxpayer Identification Number (TIN)
 - o Date Of Birth (DOB)
 - o Address (last filed return)

- o Filing Status (FS)
- 5. When additional authentication is needed, Secure Access eAuthentication may request information regarding a financial account. This includes the last 8 digits of a credit card number, a home equity line of credit loan number, a mortgage or home equity loan number, or an auto loan number. This process is prescribed by the National Institute of Standards and Technology.

NOTE: The IRS will only use the financial information to verify the taxpayer's identity. The taxpayer will not be charged a fee, and the companies do not provide the IRS with information regarding account balances. This action creates a "soft inquiry" entry on the taxpayer's credit report and is listed as an IRS inquiry with the date of the request. Soft inquiries do not affect the taxpayer's credit score. Soft inquiries are displayed in the version of the credit profile viewable only to consumers and are not reported to lenders. Once the taxpayer has completed registration for an application that requires account validation, no additional soft inquiries are generated.

- 6. Secure access eAuthentication also requires a mobile phone number associated with the taxpayer's name. This **must** be a mobile phone and not a land line or virtual phone (e.g., Skype, Google voice, etc.). The phone number cannot be on a "Pay As You Go" plan and the number must be US-based (country code +1).

NOTE: A text message containing a security code will be sent to the mobile phone number supplied. Standard text messaging and data rates may apply. The taxpayer will then need to enter the security code into the Secure Access eAuthentication system to continue with the registration process. This security code is only valid for **10 minutes**.

- 7. Once the user authenticates and establishes a single credential (username and password) they can access available online services, such as Get Transcript ONLINE.
- 8. Taxpayers who have placed a security credit freeze with Equifax may call to report they are unable to pass registration when using IRS.gov applications that use Secure Access eAuthentication (e.g., IP PIN, Get Transcript, etc.). Advise the taxpayer to contact Equifax and ask them to temporarily remove the credit freeze. This will allow the taxpayer to register. Once successfully registered, advise the taxpayer to request Equifax to restore the freeze on their account. Additional Information on authenticating identity is available on IRS.gov at <https://www.irs.gov/uac/Taxpayer-Identity-Verification-Information>.
- 9. The launch of eAuthentication and Get Transcript ONLINE may generate some phone calls. Follow IRM 21.2.3.5.9.2, *IMF Transcript Ordering*.

NOTE: AM Toll-free employees should not address questions related to Secure Access eAuthentication. Advise the caller to follow guidance provided by the application.

10. Returning users to the Secure Access eAuthentication system will be advised that extra validation is required to protect tax information. After entering their username and password, they will be classified into one of two groups:
- o Returning Users - previously registered and requiring step-up authentication.
 1. These users are required to go through the registration process that they have not previously completed. This will include supplying information regarding a financial account, a mobile phone number associated with their name, and completing the security code process.
 2. Once the user has successfully completed these additional steps for verification, they will be granted access to the Get Transcript ONLINE application.
 - o Returning Users - previously registered with step-up authentication already completed.
 1. These users will be sent a security code to the mobile phone they used to complete the registration process. The user will need to enter the security code before gaining access to the Secure Access eAuthentication system.
11. The EPSS Help Desk will assist callers **who have already established an online account** with certain account maintenance issues. EPSS supports the following types of Secure Access eAuthentication calls:
- o Login issues (password, User ID, locked out)
 - o Customer believes they did not create account
 - o Customer needs account disabled/enabled
 - o Customer is experiencing problems with accessibility software (Dragon, Zoomtext, etc.)
12. CSRs speaking with taxpayers should encourage taxpayers encountering problems to use the self-help methods available on IRS.gov.
13. If the caller is experiencing an issue as stated in (11) refer the caller to the toll free number provided in the system message.

NOTE: The EPSS Help Desk does not provide technical support for other issues involving Secure Access eAuthentication, Get Transcripts, Online Payment Agreements (OPA) or the IP PIN application.