

From: Michelle Madura [mmadura@stf.com]

Sent: Thursday, April 22, 2004 4:30 PM

To: [REDACTED]

Subject: Request For Comments

[REDACTED]

Please find attached STF Services Corporation's response to the DOL -EBSA, IRS, and PBGC's Request For Comment. Thank you for allowing us the opportunity to provide feedback.

Sincerely,
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April 22, 2004

EFAST Program Office
Employee Benefits Security Administration
Room N-5459
U.S. Department of Labor
200 Constitution Avenue NW
Washington DC 20210

Attn: EFAST RFC

Re: Comments on Proposed changes to ERISA Filing Acceptance System by STF Services Corp.

This is in response to the proposal regarding an updated ERISA Filing Acceptance System (EFAST2). STF Services Corp. appreciates the opportunity to comment on the vision for EFAST2.

Background of STF Services Corp. – STF creates interactive electronic versions of federal (primarily tax) forms and compiles these into an electronic forms library of over 9,000 forms. Each form calculates on its face, but does not in general transfer data among schedules and forms. Hence STF is a tax forms publisher rather than a tax preparation software provider. We have been at the forefront of the effort by the federal and state governments to adopt 2D barcode technology, including participation in the 2D bar code pilot run by the IRS in connection with its K1 form. We currently support the 2D version of the Form 5500 series as well. As a forms library, we do not at this time support electronic forms filing, although we are moving forward in this area in selected areas.

Comments on Changes Under Consideration. -- Overall, STF feels that the changes under consideration would considerably assist both plan administrators and the government in efficiently filing and processing the Form 5500 series. However, there are some areas of concern as noted below.

Comments on Section C. 1. "Method of Filing" -- STF shares the view common to our industry that in the long term electronic filing using standard Internet communications protocols and standard data structures such as XML will provide the most benefit to both filers and the government. In addition, we appreciate that the agencies (IRS and DOL) understand the necessity to address related matters such as the simplification of signature requirements and the handling of attachments.

We are, however, concerned over elimination of the "machine print" versions of the 5500 series that utilize 2D barcode technology. It is our understanding, seemingly supported by comments in Section A. (Background of the Current System), that the technology does represent a significant improvement over the "hand print" version of the forms. Since the agencies plan to continue accepting paper forms in certain circumstances we think it makes sense, at least to encourage the use of paper forms (the machine print versions) that at least allow for electronic processing. It would appear that, in fact, the IRS is considering expanding its use of 2D bar code technology, an effort which might well yield improvements in processing machine print forms.

There are a number of ways to encourage the use of machine print forms. First, developer specifications for the Form 5500 series could make it clear that the 2D bar code technology should be the default setting for any computer generated forms. This would help reduce the number of computer generated "hand print" forms received by the agencies. Alternatively, the use of the machine print version could be mandated for any computer-generated paper form received. We don't in general support the use of mandates that reduce the choices available to our customers, but feel that such a mandate would be preferable to the elimination of machine print forms.

If it is decided to eliminate the machine print forms, we would at least urge that such a transition be made over a 2-3 year period to accommodate our mutual customers. As indicated in Section A, this is currently the primary way of filing and it would seem fair to allow time for this to occur. In addition, such a transition period would allow software vendors who do not currently support electronic filing (such as ourselves) to develop this capability.



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Comments on Section 3. "Mandatory Electronic Filing" -- We would urge the agencies to exercise caution in moving to mandatory electronic filing. As with any elimination of machine print forms, we urge at least a 2-3 year transition period to allow difficulties to be worked out of an improved EFAST2 system. Further, we agree with your suggestion that any such mandate be restricted at most to publicly traded companies. Our primary customer base consists of relatively small companies and professional tax preparers, many of whom prefer not to entrust their data to Internet transmission. Although a few state jurisdictions have put electronic filing mandates in place for tax returns, these mandates have typically provided exceptions for taxpayers who do not wish to file in this manner.

Again, we appreciate the opportunity to comment and look forward to working with the agencies to develop an enhanced filing system to provide for more efficient processing of Form 5500 Series data.

Sincerely,

STF Services Corp.