

From: Todd Christiansen [todd@taxworks.com]

Sent: Tuesday, April 06, 2004 6:48 PM

To: efast2@dol.gov

Subject: EFAST2 RFC Comments

I have attached a .DOC file with comments regarding the electronic filing of the Form 5500 series filings.

Thanks,

Todd Christiansen

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EFAST Program Office
Employee Benefit Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Room N 5459
Washington, D.C.

Attention: EFAST RFC

EFAST Program Office,

April 5, 2004

In regards to ERISA Filing Acceptance System RFC; I would like to provide a few comments from a software developer point-of-view.

Section B: Rationale for Change, paragraph 3:

The recommendations from the ERISA Advisory Council Working Group to have the new EFAST2 system be web-based so as to "...decrease the cost and complexity since filers will not be required to use approved software or rely on third party transmitters." is contrary to the government approach to work with the software development industry not against it. The driving force behind the Free File Alliance (FFA), which makes available free electronic filing to more than 60% of the individual taxpayers, is to provide the service so the government is not in competition with software development companies (private sector) specializing in tax preparation software. The current recommendation would push software development companies specializing in preparation of Form 5500 series filings out of business.

Section C: Changes Under Consideration; Item 1. Method of Filing, paragraph 2, bulleted point 2 "On the Web using software developed by third parties."

If the government provides support to software vendors in developing their products and then requires them to "*only*" have the capability to filing the returns electronically, you will see a low participation rate from the software development companies. This requirement does not allow the software development companies to provide a full range of services to its customers. The desire for the government to get all of the returns electronically does not convince plan administrators that doing so is beneficial to them.

Section C: Changes Under Consideration; Item 1. Method of Filing, paragraph 2, bulleted point 3 "Direct on paper using government printed forms."

This change under consideration would push all software companies out of the preparation of Form 5500 series returns. This change would only encourage government competition with the private sector. This initiative would increase the cost to the government for the filing of these returns rather than decreasing and streamlining the process.

Section C: Changes Under Consideration; Item 4. Charging of Filing Fees

The current cost to file the Form 5500 series filings on paper is free. What incentive does charging a fee for filing the return provide? The goal of electronic filing these returns to streamline the process implies a savings that should cover the cost of operating, maintaining and improving the system. Expect a low participation rate if a fee is charged for this service.

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