

INTERNAL REVENUE SERVICE



**Indiana Benefits
Conference**

**Practicing
as an
ERPA
before the
Internal Revenue
Service**

➤ **Debi Lohning**

**Senior Employee Plan
Specialist,
Senior Program Analyst,
ERPA Program Manager**

**Internal Revenue Service
985 Michigan Ave., Tenth Floor
Detroit, MI 48226**



ENROLLED RETIREMENT PLAN AGENT PROGRAM (ERPA)

HISTORY

- ✓ One Million Qualified Retirement Plans
- ✓ \$10 Trillion Dollars
- ✓ IRS Restructuring and Reform Act of 1998, P.L. 105-206

ENROLLED RETIREMENT PLAN AGENT PROGRAM (ERPA)

Circular 230

Before Revision

- ✓ Attorney
- ✓ Certified Public Accountant
- ✓ Enrolled Agents
- ✓ Enrolled Actuary
- ✓ Unenrolled Preparer
 - ✓ Very Limited Scope

ENROLLED RETIREMENT PLAN AGENT PROGRAM (ERPA)

Form 2848 and Form 8821

- ✓ Authorization to Represent Client before the Service
- ✓ Authorization to Provide Tax Information

ENROLLED RETIREMENT PLAN AGENT PROGRAM (ERPA)

Effects of IRS Restructuring and Reform Act of 1998

- ✓ **Employee Plans Rejects Form 2848 for Unenrolled Preparers-Replaced with Form 8821**
 - ✓ **Determination Letter Program**
 - ✓ **Employee Plans Compliance Resolution System**
 - ✓ **Examinations**

Disenfranchised Large Number of Valuable Retirement Plan Professionals

**THE ACT'S
RECOMMENDATION TO
ESTABLISH THE ERPA
PROGRAM**

WHAT IS THE ACT?

THE ACT'S 2005 REPORT

- ✓ Establishing the Enrolled Retirement Plan Agent under Circular 230
- ✓ Found at IRS Website at www.irs.gov/retirement/article/0,,id=98354,00.html

THE REASONS FOR THE REPORT

- ✓ Increasing numbers of retirement plan professionals
- ✓ Impact of Restructuring and Reform Act of 1998
- ✓ Little recourse for the IRS against retirement plan professionals

GUIDING PRINCIPLES IN THE REPORT

- ✓ Use current personnel and procedures to extent possible
- ✓ Implement the program quickly
- ✓ Match the privileges of practice with the obligations of regulatory oversight
- ✓ The program should be consistent with certain goals delineated by the Commissioner

ISSUES CONSIDERED BY THE ACT

- ✓ Should certain professionals be grandfathered?
- ✓ Should other professional credentials be recognized?
- ✓ Should transitional relief be given?

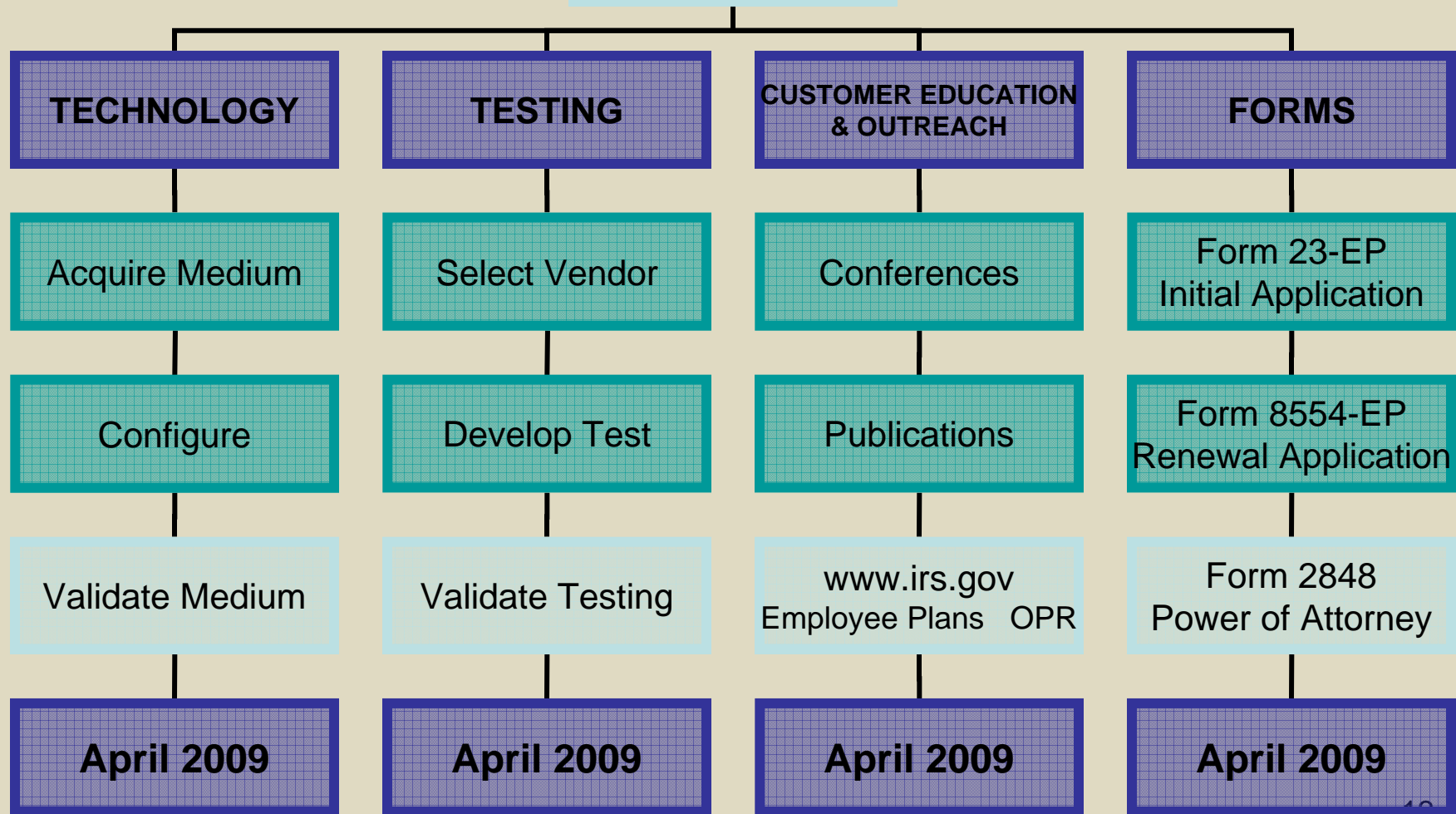
OUTLINE OF THE RECOMMENDATION

- ✓ Establish ERPAs under Circular 230
- ✓ Program should be administered by OPR
- ✓ Mirror the Enrolled Agent's program to the extent possible
- ✓ Outsource the examination but utilize the Employee Plans Division for technical assistance

Circular 230

Revised September 2007

ERPA IS BORN



ERPA PROGRAM

OVERVIEW OF THE ERPA PROGRAM

- ✓ Candidate applies to take Special Enrollment Examination
- ✓ Candidate must pass examination
- ✓ Vendor transmits the successful candidate's information and scores to the Service

ERPA PROGRAM

OVERVIEW OF THE ERPA PROGRAM

- ✓ Candidate applies to Service for Enrollment
- ✓ Candidate undergoes Background and Compliance Checks
- ✓ Once Approved, Enrolled Retirement Plan Agent Status Granted

ERPA PROGRAM

OVERVIEW OF THE ERPA PROGRAM

- ✓ The Service Issues Enrollment Card
- ✓ The Service Notifies ERPA of Renewal
 - ✓ (3 Years)
- ✓ ERPA Reports CPE & Ethics Information
 - ✓ Dual Status
 - ✓ Address Changes

ERPA PROGRAM

Benefits

Retirement Plan Sponsors:

- ✓ Professional
- ✓ Ethical
- ✓ Good Standing
- ✓ Accountability

ERPA PROGRAM

Benefits

Retirement Plan Professionals:

- ✓ Professional
- ✓ Ethical
- ✓ Good Standing
- ✓ Accountability

ERPA PROGRAM

Benefits

The Internal Revenue Service:

- ✓ Professional
- ✓ Ethical
- ✓ Good Standing
- ✓ Accountability

The Role of

**The Office of Professional
Responsibility**

What They Do

- **Approve or deny applications for enrollment to practice before the IRS**
- **Institute disciplinary actions**
- **Jurisdiction covers Attorneys, CPAs, Enrolled Agents, Enrolled Actuaries and Enrolled Retirement Plan Agents**

Tax Practitioner Conduct Standards

- **Treasury Circular 230**
- **Revenue Procedure 81-38**
- **Internal Revenue Code sections for preparer penalties**

How OPR Processes a Case

- **Referral**
- **Investigation**
- **Allegation Letter**
- **Negotiation/Settlement**
- **Administrative Hearing**
- **Appeal**

Disciplinary Sanctions

- **Reprimand**
- **Censure**
- **Suspension**
- **Disbarment**

Circular 230: Practitioner Duties to IRS

- **Provide Information on request**
- **Due diligence as to accuracy**
- **Prompt disposition of pending matters**
- **No contemptuous conduct**
- **File and Pay taxes timely**

Circular 230: Practitioner Duties to Clients

- **Alert client of errors**
- **No unconscionable fees**
- **No false advertising**
- **No improper use of client funds**

Common Types of Misconduct

- **Conviction of crimes**
- **Loss of state license to practice as an attorney or CPA**
- **Failure to timely file and pay individual or employment taxes**
- **Delay of matters pending before the IRS**
- **Faulty preparation of client tax returns**

Types of misconduct (cont.)

- **Abusive behavior directed at IRS employees**
- **Submission of false/misleading information**
- **Misrepresentation of Authority**

HOW TO CONTACT OPR

- **Telephone Number 202-927-3397**
- **Mailing address**
 - » IRS
 - » Office of Professional Responsibility
 - » 1111 Constitution Avenue
 - » Washington, DC 20224
- **E-Mail opr@irs.gov**
- **Internet Address: www.irs.gov/taxpros**
 - Click on “standards of practice for tax professionals”



ERPA PROGRAM ???QUESTIONS???

ERPA Project Manager
deborah.lohning@irs.gov

313-234-1321

www.irs.gov/ep