

# employee plans news

PROTECTING RETIREMENT BENEFITS THROUGH EDUCATING CUSTOMERS

Internal Revenue Service  
Tax Exempt and Government  
Entities Division

A Publication of Employee Plans

## New Tool Helps Keep Your 401(k) Plan Compliant

Have you seen our cool compliance tool yet? The IRS has launched a new web-based tool to help 401(k) plan sponsors identify, correct, and avoid common errors. The tool, "[401\(k\) Plan Potential Mistakes](#)," includes a chart that identifies 11 problem areas in retirement plans, including:

- plan document updates;
- plan operation;
- definition of compensation;
- nondiscrimination test failures; and
- excess deferrals.

The chart leads you to a series of questions, tips, and examples that can help you pinpoint potential errors. And if you uncover a mistake, it describes the various correction programs available under the Employee Plans Compliance Resolution System and includes an explanation of how to correct the mistake. The chart also provides tips on avoiding the mistake to facilitate ongoing and future plan compliance. •

## TE/GE Leadership Changes Announced

New executives have been announced for the IRS's Tax Exempt and Government Entities business unit:

- Joseph Grant, current Director of Employee Plans, has been named Deputy Commissioner of TE/GE, replacing Christopher Wagner, who has accepted the position of Deputy Commissioner of Small Business/Self-Employed. Mr. Grant previously worked for the Pension Benefit Guaranty Corporation as its Deputy Executive Director and Chief Operating Officer. In his new position, he will head the information technology efforts and manage the day-to-day operations of TE/GE.
- Michael Julianelle, currently the Government Entities Director, will serve as the new Director of Employee Plans. He is no stranger to TE/GE, having previously worked as Director of EP Examinations from 2004 to 2006.
- Cliff Gannett, current Director of Tax Exempt Bonds, will be the Acting Director of Government Entities. •

## 2007 Form 5500 is Ready

Informational copies of the 2007 Form 5500 Annual Return/Report of Employee Benefit Plan and related instructions have been released and can be accessed at the [Department of Labor's web site](#). The Form 5500 Instructions contain a "Changes to Note" section, which incorporates revisions made by the Pension Protection Act of 2006 (PPA):

- A simplified reporting option for eligible plans with fewer than 25 participants
- Revised Schedule B instructions to reflect updated mortality tables and the list of codes used for valuation purposes and for calculating current liability
- Reporting on Schedule B, line 12g the amortization of the "unfunded mortality increase" combined with any outstanding balance of unfunded old liability
- The increased plan asset limit (\$250,000) for determining whether a one-participant plan is exempt from filing Form 5500-EZ

The Instructions also offer a preview of changes to come for the 2008 plan year filings, including the elimination of Schedule B. Also, the PPA's requirement for separate actuarial information Schedules for the 2008 plan year will prevent the use of the 2007 Schedule B for short plan year filers. Similarly, those multiemployer pension plans that must file PPA-required information as a separate attachment starting with filings for the 2008 plan year and short plan year filers will not be able to use the 2007 Schedule R without the attachment to satisfy their 2008 filing requirements. •

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## ERPA is a Go!!!

Good news! The Enrolled Retirement Plan Agent (ERPA) program is now official! The final [Circular 230](#), released on September 26, 2007, establishes the new category of practitioner who may practice before the Service.

The ERPA program will mirror the Enrolled Agent program. To obtain the ERPA designation, individuals will be required to pass an examination covering retirement plan matters, apply for enrollment with the Service, and satisfy renewal and continuing education requirements. They will have to demonstrate competency and adhere to professional and ethical standards of conduct. ERPAs will be authorized to represent taxpayers under the Employee Plans Determination Letter program, the Employee Plans Compliance Resolution System, and the Employee Plans Master and Prototype and Volume Submitter programs. ERPAs also may represent taxpayers on matters related to Form 5500 filings, but not on actuarial issues.

The IRS is now in the process of soliciting bidders to develop and administer the test. We hope to have the program up and running by April 2009. •

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