

## **IRS Enrolled Retirement Plan Agent (ERPA) Designation and Exams FAQs**

*Courtesy of SunGard's Relius Education*

### **What is an Enrolled Retirement Plan Agent (ERPA)?**

An ERPA is an individual who has qualified to practice before the IRS with respect to certain retirement plan matters.

### **Why does a retirement plan practitioner need to have an ERPA designation?**

Recently, the IRS has determined that only plan practitioners who are able to sign a Power of Attorney (Form 2848) may represent a client regarding a retirement plan matter before the IRS. This is limited to attorneys, CPAs, actuaries, appraisers, and enrolled agents. The IRS will decline to speak or correspond with a retirement plan practitioner who cannot sign a Form 2848 (non-2848 practitioner). IRS personnel could even refuse to allow a non-2848 practitioner to participate on a conference call with a 2848 practitioner present. Unfortunately, this will mean practitioners who administer the plan and who know the most about the plan operations will be unable to communicate with the IRS. To address this issue, the IRS established a program under Treasury Department Circular 230 to allow additional plan practitioners to qualify to practice before the IRS.

### **Which retirement plan matters does the ERPA designation cover?**

Pursuant to the regulations contained in Circular 230, an ERPA may represent his/her client before the IRS as to the following matters: (1) Plan corrections under the Employee Plans Compliance Resolution System (EPCRS), including audits; (2) Form 5500 matters and issues; (3) Form 5300, 5307, and 5310 determination letter requests; and (4) Master and Prototype, and Volume Submitter Programs.

### **Will the IRS grandfather credentials from ASPPA, NIPA, or any other retirement plan organization?**

No. Each non-2848 practitioner will need to qualify as an ERPA in order to practice before the IRS regarding retirement plan matters.

### **How does an individual qualify to be an ERPA?**

The IRS has provided two different approaches whereby an individual may qualify as an ERPA.

1. **Written examinations.** An individual may become an ERPA by completing the following steps:
  - a. Complete the application to take the ERPA examinations;
  - b. Pass both examinations;
  - c. Complete an enrollment application (Form 23-EP) and pay an enrollment fee of \$125; and
  - d. Pass a tax compliance check and background check.

2. **IRS employment experience.** An individual may become an ERPA by virtue of his/her technical experience with the IRS. The former IRS employee must:
  - a. Have the requisite years service and technical experience relating to retirement plan matters;
  - b. Complete an enrollment application (Form 23-EP) and pay an enrollment fee of \$125; and
  - c. Pass a tax compliance check and background check.

**What topics will be on the IRS examinations?**

**Test 1 Topics:**

- A. Participation, Coverage, and Vesting
- B. Contributions, Allocation and Benefit Formulas, and Accrual Rules
- C. Limitations on Benefits, Contributions and Compensation
- D. General Nondiscrimination Rules
- E. ADP/ACP Testing
- F. Top-Heavy Testing
- G. Related Employers
- H. Elective Deferral Arrangements
- I. Deduction and Funding Rules
- J. Miscellaneous Plans
- K. Legal Framework

**Test 2 Topics:**

- L. Plan Documents and Amendments
- M. Government Filings and Submissions
- N. Participant Communications
- O. Rollovers
- P. Distributions
- Q. Annuity Requirements and Spousal Consent
- R. Death Benefits and Beneficiaries
- S. Participant Loans
- T. QDROs
- U. Plan Audit and Correction Programs
- V. Prohibited Transactions
- W. Plan Terminations
- X. Ethics and Professional Responsibility

**When are the examinations offered?**

The IRS offers the examinations during two examination windows lasting approximately six weeks. The remaining examination window for 2009 is July 7 – August 31.

**What is the time period an individual will have to complete the exam?**

An individual will have three hours to complete an exam. However, an individual should set aside 3.5 hours because the examination will include a tutorial and an exit survey.

**Each examination will consist of how many questions?**

75 multiple-choice questions.

**Can I take both parts of the exam within the same six-week period?**

Yes.

**If an individual does not pass the exam, may he/she re-take the exam?**

Yes. An individual can re-take either failed exam in a future testing window. Accordingly, an individual cannot re-take an exam in the same testing window. The IRS does not impose a limit on the number of times an individual can re-take the exam. Of course, an examination fee will be charged each time he/she takes the exam.

**What is the cost for taking the exams?**

Each exam will cost \$241. You may use MasterCard, Visa, American Express, Discover, checks, and money orders to pay the fee for the examinations. The fee is non-refundable. If you need to re-take the examination, you must pay another registration fee.

**When can an individual register for the exams?**

Registration has already commenced for the July-August 2009 examination cycle. You must register by July 6, 2009.

**Where are the examinations given?**

The examinations are given at the Prometric testing centers around the country. Go to [www.prometric.com/candidates](http://www.prometric.com/candidates) for the location nearest you.

**Does an individual need to obtain a preparer tax identification number (PTIN) to register?**

No. However, the IRS recommends that individuals obtain a PTIN so they do not have to use their social security number. You may obtain a PTIN from the IRS online, at [www.irs.gov](http://www.irs.gov). You will need a PTIN to enroll as an ERPA.

**What is AIRE?**

The term refers to the American Institute of Retirement Education. AIRE is a partnership of ASPPA and NIPA. AIRE has the contract to develop the ERPA examinations. To sign up to take ERPA exams: <https://erpaexam.org>.

**Does SunGard offer classes to prepare individuals for the examinations?**

Yes. In July, we are presenting our ERPA Test Review Web Seminars for Part I and Part II. For each part, the program is conducted on three consecutive days, two hours each day, for a total of 360 minutes of review. For more information: [www.relius.net/Events/ListWebEvents.asp](http://www.relius.net/Events/ListWebEvents.asp).

**What are the advantages of taking SunGard's Relius Education *ERPA Test Review Seminars* in preparation for the IRS ERPA Exams?**

**Education leader.** SunGard offers more live and Web retirement plan seminars than any other organization – more than 175 seminars, conferences, and Web seminars each year.

**Instructor.** Derrin Watson, ASPPA's 2006 Educator of the Year, will present the ERPA web seminars. He has taken the exams and can speak from experience as well as in depth knowledge. For all its programs, SunGard uses its own instructors rather than contract instructors. Our ERISA attorney-consultants are the ones who actually developed the material we use for the ERPA classes.

**Experience.** All of SunGard's instructors are tax attorneys who collectively have more than 110 years of retirement plan experience. Our instructors teach for a living (not as a sideline). They not only know the material but are highly skilled at communicating it.

**Cost-effective training.** SunGard's Relius Education classes include study outlines and self-study aids; attendees are not required to purchase additional study materials.

**Sample tests.** ERPA Test Review Web seminars include sample examinations with over 150 questions and answers for each part, exploring every facet of the exams.

**Delivery options.** All program materials, including the slide presentation with nearly 330 slides each and study aids, are provided in electronic format, for easy searches on specific topic areas.

**Guarantee.** If you take our Web seminar for a particular ERPA exam and do not pass, you will have an opportunity to view the archived version of the *ERPA Web Seminar* – on us! No additional fees required.

If you have questions about SunGard's Relius Education *ERPA Test Review Web Seminars*, please send an e-mail to [relius.education@sungard.com](mailto:relius.education@sungard.com), and one of our Relius Education team will respond promptly. Or call us at 800-326-7235, ext. 7918, 4032, or 4031.