



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

7.13.1

AUGUST 28, 2025

## EFFECTIVE DATE

(08-28-2025)

## PURPOSE

- (1) This transmits revised IRM 7.13.1, Employee Plans Automated Processing Procedures, Determination Letter Applications.

## MATERIAL CHANGES

- (1) Updated IRM 7.13.1.1, Program Scope and Objectives as follows:
  - a. Updated IRM 7.13.1.1(1), Purpose.
  - b. Updated IRM 7.13.1.1(2), Audience.
  - c. Updated IRM 7.13.1.1(5), Program Goals.
- (2) Updated IRM 7.13.1.1.1, Background.
- (3) Updated IRM 7.13.1.1.2, Authority.
- (4) Updated IRM 7.13.1.1.6, Terms and Acronyms.
- (5) Added IRM 7.13.1.1.7, Related Resources.
- (6) Deleted IRM 7.13.1.2, History.
- (7) Changed the name of IRM 7.13.1.3, TEQMS to Systems, and updated the content.
- (8) Deleted IRM 7.13.1.4. EP Determinations Quality Assurance (QA).
- (9) Deleted 7.13.1.5, TEQMS Case Selection Process.
- (10) Deleted 7.13.1.6. Statistical Validity Level/TEQMS Sample Selection.
- (11) Deleted 7.13.1.7 TEQMS Review Process/Quality Standards.
- (12) Deleted 7.13.1.7.1, Data Capture Process.
- (13) Deleted 7.13.1.7.2, Data Submission/TEQMS Database.
- (14) Deleted 7.13.1.7.3, TEQMS Reports.
- (15) Deleted 7.13.1.7.4, Report Analysis.
- (16) Deleted 7.13.1.7.5, Quality Score.
- (17) Deleted 7.13.1.8, Consistency Reviews to Ensure Data Reliability.
- (18) Deleted 7.13.1.9, Case Return Criteria Overview.
- (19) Deleted 7.13.1.9.1, Case Return Criteria.
- (20) Deleted 7.13.1.9.2, Procedures for a Returned Case.
- (21) Deleted 7.13.1.9.3, Feedback Prohibited from TEQMS.

- (22) Deleted 7.13.1.2(5) since Correspondex is no longer used to generate the Acknowledgment Notice. The applicant's receipt from the pay.gov submission now serves as acknowledgment of receipt.
- (23) Various edits have been made throughout the IRM for clarity, removal of outdated items and for plain language.

#### **EFFECT ON OTHER DOCUMENTS**

This supersedes IRM 7.13.1 dated 04-05-2024.

#### **AUDIENCE**

Tax Exempt and Government Entities  
Employee Plans

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Director, Employee Plans  
Tax Exempt and Government Entities

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7.13.1

Determination Letter Applications

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7.13.1.1  
(08-28-2025)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM gives an overview of the systems Employee Plans (EP) uses to process determination letter (DL) applications.
- (2) **Audience:** Employee Plans Determinations employees and Cincinnati Service Processing Center (CSPC) employees who process DL applications.
- (3) **Policy Owner:** Director, Employee Plans
- (4) **Program Owner:** Employee Plans
- (5) **Primary Stakeholders:**
  - a. Internal - Director, Employee Plans; Director, Employee Plans Rulings and Agreements; EP Tax Law Specialists and Agents; Actuaries; Associate Chief Counsel (EEE), TE/GE Division.
  - b. External - Plan sponsors, plan representatives, and plan participants.
- (6) **Program Goals:** EP Determinations ensures plans comply with tax laws. We review applications for determination and opinion letters, and to protect the public interest by applying the tax law with integrity and fairness.

7.13.1.1.1  
(08-28-2025)  
**Background**

- (1) Tax Exempt Determination System (TEDS) is the primary system for processing DL applications, but we continue to use the Employee Plans-Exempt Organizations (EO) Determination System (EDS) as our system of record to close cases and generate DLs.
- (2) EDS is a menu-driven system that lets you choose functions from an available options list. When you select a valid option, it will display an input screen or another submenu. When you complete an option, you return to the higher-level menu so you may select another option or exit EDS.
- (3) We use the Letter Information Network User Fee System (LINUS) to process the user fee for the DL application. The initial user fee input data is automatically transmitted to TEDS. LINUS generates:
  - Form 2221, Schedule of Collections
  - Acknowledgment letters
  - EP Determination Input Sheet

7.13.1.1.2  
(08-28-2025)  
**Authority**

- (1) The authority to issue favorable DLs on IRC 403(b) plans, the qualified status of pension, profit-sharing, stock bonus, annuity, and employee stock ownership plans under IRC 401, IRC 403(a), IRC 409, and IRC 4975(e)(7) and the status for exemption of any related trusts or custodial accounts under IRC 501(a) is delegated to the Director, Employee Plans, and re-delegated to the Director, EP Rulings and Agreements. (Delegation Order 7-1, IRM 1.2.2.8.1(1))
- (2) Find a complete list of delegation orders and policy statements governing EP Rulings and Agreements at *Delegation Orders and Policy Statements by Process*.

7.13.1.1.3  
(08-28-2025)  
**Roles and Responsibilities**

- (1) The mission of Employee Plans is to provide EP's customers top-quality service by helping them understand and comply with applicable tax laws and to protect the public interest by applying the tax laws with integrity and fairness to all.

## 7.13 Employee Plans Automated Processing Procedures

- (2) The Director, EP, reports to the Deputy Commissioner, TE/GE, and is responsible for planning, managing, directing and executing nationwide EP activities.
- (3) EP responsibilities include:
  - a. Employee plans (including the qualification of pension, annuity, profit-sharing, and stock bonus plans, simplified employee pensions, saving incentive match plans for employees, and tax-sheltered annuities) and related trusts.
  - b. Tax treatment of participants and their beneficiaries and deductions for employer contributions.
  - c. Procedural and administrative provisions with respect to such plans.
- (4) The Director, EP R&A, reports to the Director, EP, and is responsible for three types of services for retirement plans:
  - Voluntary Compliance
  - Determination letter
  - Technical guidance
- (5) Responsibilities of the EP R&A staff include:
  - a. Processing determination letter requests from employers regarding the qualified status of their pension, annuity, profit sharing and stock bonus plans.
  - b. Issuing opinion and advisory letters to specific requestors regarding pre-approved pension, annuity, and profit-sharing plans, including individual retirement accounts, simplified employee pensions and savings incentive match plans for employees, and tax-sheltered annuities.
  - c. Developing and operating voluntary correction programs, such as the Employee Plans Compliance Resolution System (EPCRS) program and issuing compliance statements or entering into closing agreements under these programs.
  - d. Processing requests for changes in funding method and making other actuarial determinations and interpretations.
  - e. Coordinating with Chief Counsel on requests for funding waivers.
  - f. Developing and maintaining responsibility for actuarial publications and other standards for the valuation of transfers of future interests for income, estate and gift tax purposes.
  - g. Coordinating with TE/GE Division Counsel, Associate Chief Counsel and the DOJ on litigation issues and declaratory judgment cases under the Internal Revenue Code. (IRC 7476).

7.13.1.1.4  
(08-28-2025)

### Program Management and Review

- (1) Program reports:
  - a. The EP Determinations program uses Business Objects to view, create, and modify inventory and employee records. Business Objects uses tools to provide a built-in interface to query and analyze data and to build reports.
  - b. Monthly reports detailing the current inventory of cases by area and their status are produced and provided to the Director, EP R&A, Area Managers, and frontline managers.
  - c. Ad-hoc reports are produced as requested by determinations personnel with appropriate permission.

- d. Each quarter, EP Determinations Quality Assurance issues reports to summarize the results of their TEQMS reviews. See IRM 7.11.3, Tax Exempt Quality Measurement System (TEQMS).

(2) Program effectiveness:

- a. EP Determinations monitors business unit progress toward completing and closing cases in inventory. They provide status and progress reports to IRS leadership on a regular, recurring basis. Effectiveness is measured by analysis of compliance trends and results.

7.13.1.1.5  
(08-28-2025)  
**Program Controls**

- (1) The IRS receives EP determination letter applications and user fees from taxpayers on Pay.gov.
- (2) The user fee information is then transferred to LINUS to ensure it is properly recorded.
- (3) The application information from Pay.gov is transferred to Tax Exempt Determination System (TEDS) and EP/EO Determination System (EDS), which are the systems that EP Determinations uses to control their inventory.
- (4) TEDS contains roles and permissions to ensure proper separation of duties IRM 7.15.4
- (5) The EP Determinations Area Managers coordinate the assignment of inventory.
- (6) In order to ensure a consistent level of managerial engagement in the process of making key strategic decisions during a determination letter review, the specialist submits requests for approval by their manager through TEDS.
- (7) The manager approves or rejects any request through TEDS.
- (8) EP Determinations QA reviewers perform reviews on mandatory review cases and for cases selected for the Tax Exempt Quality Measurement System (TEQMS) to ensure that specialists are conducting their determination letter reviews per technical, procedural and administrative requirements. See IRM 7.11.3 and IRM 7.11.9 for more information.
- (9) The IRS is fully committed to protecting the privacy rights of taxpayers and employees. Privacy laws are included in the IRC, the Privacy Act of 1974, the Freedom of Information Act, and IRS policies and practices. For more information about these laws, visit the FOIA Library\Internal Revenue Service (irs.gov).
  - a. For questions about privacy, email *\*Privacy*.
  - b. For questions about disclosure, email *\*Disclosure*.

7.13.1.1.6  
(08-28-2025)  
**Terms and Acronyms**

- (1) This table shows acronyms used in this IRM.

| Acronym | Term                          |
|---------|-------------------------------|
| AES     | Advanced Encryption Standard  |
| CSDW    | Cyber Security Data Warehouse |
| DL      | Determination Letter          |

| Acronym | Term   |
|---------|--|
| EACS    | EP/EO Application Control System   |
| EEE     | Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations and Employment Taxes) |
| EDS     | Employee Plans-Exempt Organizations Determination System   |
| EFTU    | Electronic File Transfer Utility   |
| EO      | Exempt Organizations   |
| EOBMF   | Exempt Organizations Business Master File  |
| EP      | Employee Plans   |
| EPMF    | Employee Plans Master File   |
| GSS     | General Support System   |
| HTTPS   | Hypertext Transfer Protocol Secure   |
| LINUS   | Letter Information and User Fee System   |
| R&A     | Rulings and Agreements   |
| RICS    | Returns Inventory Classification System  |
| SDT     | Secure Data Transfer   |
| TEDS    | Tax Exempt Determination System  |

7.13.1.1.7  
(08-28-2025)  
**Related Resources**

- (1) IRM 7.11.1.5 *Computer Systems*
- (2) IRM 7.11.1.5.1 *Employee Plans/Exempt Organizations Determination System (EDS)*

7.13.1.2  
(08-28-2025)  
**Systems**

- (1) EDS is a national system run in a Sun Solaris environment. Retirement plan sponsors submit applications to EP to determine if they meet the Internal Revenue Code law requirements. EDS maintains inventory for cases in the EP and EO Determination Letter Programs.
- (2) EDS receives data from, and sends data to, several remote systems via Electronic File Transfer Utility (EFTU):
  - a. EDS uses data it receives from TEDS to create and update cases in the EDS database.
  - b. EDS sends case data to TEDS daily, including case status acknowledgment data, to manage information reports.
  - c. LINUS data is taken in and stored to support manual case entry. LINUS transfers data to EDS if TEDS is unavailable.
  - d. Data is sent to the Returns Inventory Classification System (RICS) daily and combined with TE/GE compliance data.
  - e. Data is sent to the EP/EO Application Control System (EACS) each business day to forward to either the Employee Plans Master File



(EPMF) or the Exempt Organizations Business Master File (EOBMF), and EACS sends data to EDS confirming the posting of data from EDS into EACS.

- f. Data is sent to a contractor who performs the Customer Satisfaction Survey.
- g. Data is transmitted via EFTU to Secure Data Transfer (SDT), which provides files to external IRS customers. SDT is managed and maintained by the General Support System (GSS)-17.

**Note:** Secure Data Transfer (SDT) uses Tumbleweed Secure Transport v4.8.1, a certified Federal Information Processing Standard (FIPS) 140-2 cryptographic module. Tumbleweed Secure Transport has an integrated web server based off of Apache that uses Hypertext Transfer Protocol Secure (HTTPS) with Advanced Encryption Standard (AES) encryption.

- (3) EDS sends updates to Business Objects. Business Objects:
  - a. Replaces the Cyber Security Data Warehouse (CSDW), which allows users to view, create, and modify inventory and employee reports.
  - b. Uses tools to provide a built-in interface to query and analyze data and to build ad hoc and canned reports.
- (4) All letters must meet national standards for letter format, content, and style. EP Determinations must request approval from the Office of Taxpayer Correspondence for any letter they develop locally or any change they make to a nationally approved letter. IRM 25.13.2, TE/GE Taxpayer Correspondence Procedures.

