



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

7.11.9

JULY 28, 2025

## EFFECTIVE DATE

(07-28-2025)

## PURPOSE

- (1) This transmits revised IRM 7.11.9, Employee Plans Determination Letter Program, Mandatory and TEQMS Case Reviews.

## MATERIAL CHANGES

- (1) Updated the name of IRM 7.11.9.1.3, to Roles and Responsibilities.
- (2) Updated the name of IRM 7.11.9.1.6, to Terms and Acronyms.
- (3) Updated IRM 7.11.9.1(5), Program Scope and Objectives, to include Primary Stakeholders.
- (4) Updated IRM 7.11.9.1.3, Roles and Responsibilities.
- (5) Added IRM 7.11.9.1.4, Program Management and Review.
- (6) Added IRM 7.11.9.1.5, Program Controls.
- (7) Added IRM 7.11.9.1.7, Related Resources.
- (8) Various edits have been made throughout the IRM for clarity, removal of outdated items and for plain language.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 7.11.9, dated July 23, 2024.

## AUDIENCE

Tax Exempt and Government Entities  
Employee Plans  
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7.11.9

Mandatory and TEQMS Case Reviews

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7.11.9.1  
(07-28-2025)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM lists procedures for employees when their determination letter case is selected for mandatory or Tax Exempt Quality Measurement System (TEQMS) case review.
- (2) **Audience:** Employee Plans (EP) Determinations and Quality Assurance (QA) staff
- (3) **Policy Owner:** Director, EP
- (4) **Program Owner:** EP
- (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:** The goal of EP Determinations is to ensure that plans comply with the tax laws by reviewing applications for determination letters, opinion letters, and advisory letters, and to protect the public interest by applying the tax law with integrity and fairness to all.

7.11.9.1.1  
(09-19-2022)  
**Background**

- (1) EP Determinations Quality Assurance staff (QA):
  - a. Assesses case quality.
  - b. Identifies best practices.
  - c. Gives recommendations for quality improvement and consistency in the determination letter program.
- (2) To help achieve these responsibilities, QA performs mandatory and TEQMS reviews of EP Determinations cases.
- (3) TEQMS is a system designed to measure the quality of the EP Determination letter program. QA reviews a sample of both merit and non-merit EP Determination cases for TEQMS. See IRM 7.11.3, *Employee Plans Determination Letter Program, Tax Exempt Quality Measurement System (TEQMS)*, for more information on how TEQMS cases are selected and reviewed.

7.11.9.1.2  
(07-23-2024)  
**Authority**

- (1) IRS's authority to issue favorable determination letters (DLs) on the qualified status of pension, profit-sharing, stock bonus, annuity, and employee stock ownership plans under IRC 401, IRC 403(a), IRC 403(b), 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 has been re-delegated to the Director, EP Rulings and Agreements. IRM 1.2.2.8.1 (Delegation Order 7-1).
- (2) Find a complete list of delegation orders and policy statements governing EP Rulings and Agreements at *Delegation Orders and Policy Statements by Process*.

7.11.9.1.3  
(07-28-2025)  
**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.

## 7.11 Employee Plans Determination Letter Program

- (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 letters, and 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 judgement cases under the Internal Revenue code. (IRC 7476).

### 7.11.9.1.4 (07-28-2025) 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.

7.11.9.1.5  
(07-28-2025)  
**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*.

7.11.9.1.6  
(07-28-2025)  
**Terms and Acronyms**

- (1) These acronyms are used in this IRM:

Acronym	Definition
CP&C	Compliance Planning and Classification
DL	Determination Letter
DOL	Department of Labor
EEE	Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes)
EP	Employee Plans
PBGC	Pension Benefit Guaranty Corporation

Acronym	Definition
CP&C	Compliance Planning and Classification
QA	Quality Assurance staff
R&A	Rulings and Agreements
RRA '98	Internal Revenue Service Restructuring and Reform Act of 1998
TEDS	Tax Exempt Determination System
TEQMS	Tax Exempt Quality Measurement System
WebETS	Web-Based Employee Technical Time System

7.11.9.1.7  
(07-28-2025)

#### Related Resources

- (1) IRM 7.11.1.5, Computer Systems.
- (2) IRM 7.11.1.5.1, Employee Plans/Exempt Organizations Determination System (EDS).
- (3) IRM 7.11.3, Tax Exempt Quality Measurement System (TEQMS).
- (4) IRM 1.2.68.2.9, Delegation Order TEGE 7-1-1, Issuance of Determination Letters relating to Employee Plans.
- (5) IRM 7.11.1, Employee Plans Determination Letter Program.
- (6) IRM 7.11.11, Proposed Adverse Cases.
- (7) IRM 7.11.12, Preparing Technical Advice Requests.

7.11.9.2  
(05-25-2021)

#### Mandatory and TEQMS Case Reviews

- (1) QA reviewers are responsible for analyzing EP Determinations open mandatory cases and closed TEQMS cases for quality and technical soundness:
  - a. Mandatory Review - complex issue cases that require extra review (see list in IRM 7.11.9.2(2) below).
  - b. TEQMS Review - Compliance Planning and Classification (CP&C) group selects sample cases from cases closed during a WebETS cycle to measure the quality of EP Determinations work as required by the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA '98).

**Note:** EP Determinations cases may be selected for both mandatory and TEQMS reviews.

- (2) The following applications are subject to mandatory review:



- a. Cases with interested party comments. (See IRM 7.11.1.29, *Interested Party Comments*.)
- b. Terminations with reversions of more than \$5,000,000 and two percent of all other terminations.
- c. Technical advice requests. (See IRM 7.11.12, *Technical Advice Requests*.)
- d. Proposed adverse determination cases. (See IRM 7.11.11, *Proposed Adverse Cases*.)
- e. Management requests (senior manager's approval required).

7.11.9.2.1  
(03-24-2016)  
**QA Reviewer  
Responsibilities**

- (1) Complete full reviews on TEQMS and mandatory review cases to ensure that each case reviewed complies with:
  - a. Applicable Law/Cumulative List/Required Amendments List for qualified retirement plans.
  - b. TEQMS elements and standards. QA reviewers complete an electronic checksheet (called a survey) for all TEQMS review cases.
  - c. Document processing rules, such as notifying of DOL, PBGC or interested parties, when applicable.
  - d. Applicable procedures in IRM 7.11.1, *Employee Plans Determination Letter Program*.
- (2) Monitor and record if the IRS position was properly applied.
- (3) Report any emerging technical/procedural issues identified during case reviews to the EP Determinations QA manager.

7.11.9.2.2  
(07-21-2023)  
**Reviewers' Case Return  
Procedures**

- (1) If it is determined that a case should be returned to the specialist for further development, follow these steps:
 

**Note:** TEQMS cases may only be returned to the specialist if they meet the criteria in IRM 7.11.3.9, *Case Return Criteria Overview*.

  - a. Complete a Form 5456, *Reviewer's Memorandum - EP/EO*.
  - b. Prepare a summary of the items on Form 5456, line 12 or attachment that the specialist should address.
  - c. Forward the Form 5456 to the EP Determinations QA manager for approval. For mandatory cases, the QA manager will update the case on TEDS to return the case to the group manager.
  - d. Email the group manager and specialist that the case is being returned.
  - e. Keep a copy of Form 5456 on the QA shared server in the memo folder.
- (2) When QA receives the case back:
  - a. TEDS will update the case back to the reviewer.
  - b. The reviewer will review Form 5457, *Response to Reviewer's Memorandum-EP/EO*.
  - c. The reviewer and QA manager approve Form 5457, *Response to Reviewer's Memorandum - EP/EO*.
  - d. The reviewer will import the Form 5457 and CCR into TEDS.
  - e. The reviewer will send an email to the support personnel with instructions on letters needing to be printed, stamped and imported into TEDS.
  - f. The support personnel will close the case and mail the letters.
  - g. The reviewer will import a copy of Form 5457 to the QA shared server and move the Form 5456 to the closed folder.

7.11.9.2.3  
(05-25-2021)

**Group Procedures -  
Case Returned by QA**

- (1) When a case is returned to a specialist, it's generally returned to the original specialist. If assigned to another specialist in the group, the group secretary updates to that specialist's number.
- (2) The specialist must:
  - a. Add mandatory cases back to WebETS using established procedures.
  - b. Consider all the issues raised by the reviewer and complete all necessary actions as soon as possible.
  - c. If applicable, prepare an appropriate closing letter.
  - d. Complete a Form 5457, *Response to Reviewer's Memorandum - EP/EO*, addressing all reviewer listed issues. Include reasons for not following the reviewer's recommendations.
  - e. Forward the case information along with Form 5457 to your group manager for review and approval.
- (3) The group manager updates the case back to the QA manager and emails the case information back to the reviewer.
- (4) If the case becomes unagreed or adverse actions are proposed, follow the procedures in IRM 7.11.11, *Proposed Adverse Cases*. The reviewer's memo remains open until all issues have been resolved.