



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

February 2, 2018

Control No. AP-08-0218-0003
Expiration Date: 02/02/2020
Affected IRMs: 8.20.5, 8.20.7

MEMORANDUM FOR DIRECTOR, ACCOUNT AND PROCESSING SUPPORT

FROM: Anita M. Hill /s/ *Anita M. Hill*
Director, Case and Operations Support

SUBJECT: Account and Processing Support (APS) Guidelines for Employer Shared
Responsibility Payment (ESRP) Cases

This memorandum provides guidance for Account and Processing Support (APS) employees on employer shared responsibility payment (ESRP) cases received in Appeals. Please ensure this information is distributed to all affected employees within your organization.

Purpose and Background: In the fall of 2017, Small Business Self-Employed (SB/SE)'s ESRP compliance group issued letters to certain employers regarding their potential liability for an ESRP under IRC § 4980H. The ESRP is a new workstream for the IRS and is assessed on Master File Tax (MFT) 43. The attachment contains guidelines for APS employees for processing new ESRP receipts and closing ESRP cases in Appeals.

Effective Date/Effect on Other Documents: This guidance is effective as of the date of this memorandum and will be incorporated into IRM 8.20.5 and IRM 8.20.7 within two years from the date of this memorandum.

Contact: Appeals employees should follow existing procedures to elevate questions through their management chain and follow established procedures on [How to Contact an Analyst](#).

Attachment:
APS Guidelines for ESRP (MFT 43) Cases

cc: www.irs.gov

APS Guidelines for ESRP (MFT 43) Cases

Step No.	Description	Notes/Information
1	SB/SE ESRP compliance group sends unagreed ESRP case to Appeals via Appeals SharePoint intake site and inputs required information.	
2	APS (Ogden) receives systemic email notification that SB/SE ESRP compliance group transferred a case to Appeals.	
3	<p>Upon notification, APS will:</p> <p>a) Card in case into Appeals Centralized Database System (ACDS) as follows:</p> <ul style="list-style-type: none"> • Type Code = EX • MFT = 43 • PBC = 212 Employment Tax • AIMS = E • Statute Code = Blank • Statute Date = N/A • Proposed Penalty = Use the amount(s) provided by SB/SE ESRP compliance group (Leave Proposed Tax field blank) • Notes = ESRP <p>b) Attach the Electronic Employer Case File received from SB/SE ESRP compliance group to ACDS</p> <p>c) Email Appeals point of contact that a new case is ready for assignment</p> <p>d) Delete all electronic files for the case on SharePoint intake site</p>	

Attachment to AP-08-0218-0003, *Account and Processing Support (APS) Guidelines for Employer Shared Responsibility Payment (ESRP) Cases*

Step No.	Description	Notes/Information
4	The assigned Appeals Technical Employee (ATE) works and closes case.	<p>For closing, the ATE will prepare:</p> <ul style="list-style-type: none"> • Form 5402 • Appeals Case Memorandum • Appeals closing letter (Letter 5917) <p>The ATE will maintain a hard copy of all Appeals case documents for the case file. The ATE will forward the paper file to the Appeals Team Manager (ATM).</p>
5	The ATM approves case closing.	<p>The ATM will electronically sign Form 5402 and input an ATM Approval Date (ACAP) into ACDS. The ATM will forward the paper case file to APS.</p> <p>When the ATM enters an ACAP on the ACDS record, the Direct Ship table assigns the closure to the appropriate APS Team.</p>
6	<p>APS will perform closing actions as follows:</p> <ul style="list-style-type: none"> a) Make the necessary closing inputs on ACDS <p>Note: SB/SE ESRP compliance group makes the ESRP assessment (if applicable) and sends the Employer a Letter 227N.</p> <ul style="list-style-type: none"> b) Date stamp and mail the closing letter (Letter 5917) to Employer and its representative (if any) and keep a copy of the letter for the file c) Forward the entire paper case file to SB/SE ESRP compliance group via Form 3210 <p>Note: APS will not send Appeals case feedback information to SB/SE ESRP compliance group.</p>	<p>APS will not send any electronic files to SB/SE ESRP compliance group upon case closure.</p>