



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

Date: January 10, 2023  
Control Number: TEGE-04-0123-0003  
Expiration Date: January 10, 2025  
Affected IRM: 4.70, 4.71.1, 4.71.3,  
4.71.4, 4.71.5, 4.71.27

MEMORANDUM FOR EMPLOYEE PLANS EXAMINATION EMPLOYEES

FROM: Catherine L. Jones /s/ *Catherine L. Jones*  
Director, Employee Plans Examinations

SUBJECT: Interim Guidance on Use of Standardized Letters and Forms

This memorandum updates the Unagreed Form 5500 Examination procedures for the issuance of preliminary Revenue Agents Reports used to explain potential pension plan qualification issues to the taxpayer. It also discusses the proper use of standardized letters and forms for taxpayer communications in EP Examinations.

**Background:**

When addressing a pension plan qualification issue, IRM 4.71.3.3 paragraph (7) provides, "When you have a qualification issue, you must clearly explain the qualification issues to the taxpayer in writing by issuing a preliminary Revenue Agent's Report (RAR) ... that should be clearly notated as a "Draft" or "Preliminary" copy." IRM 4.71.3.3 paragraph (8) provides, "Mail the preliminary RAR with an individually designed cover letter to the taxpayer and give them sufficient time to provide a response..." In EP Examinations, a copy of the final RAR that is no longer marked "Draft" or "Preliminary" is properly sent with the 30-Day Letter Package issued by the group or the 90-Day Letter Package issued by Mandatory Review.

**Procedural Change:**

We recently updated the standardized letters posted in RCCMS and commonly used in EP Examinations. As such, EP examiners will need to use standardized letters and forms when mailing or sharing the preliminary or draft RAR with taxpayers to explain potential qualification issues discovered during the examination of a pension plan.

Use Letter 1477, "Information Document Request Cover Letter -EP and EO" for this purpose by using selectable paragraph 4, which provides, "Thank you for the information you provided; however, we need additional information. Provide the information requested on the enclosed Form 4564, Information Document Request, by the above response due date."

Generate a Form 4564, Information Document Request to go with the Letter 1477 and the Form 886-A Revenue Agents Report, clearly marked as "Draft" or "Preliminary". Alternatively, send a properly completed Form 4564, Information Document Request and the Draft 886-A without a cover letter to address the qualification issue.

Customize the wording contained in the “Description of documents requested” section of the Information Document Request to explain the sharing of the potential qualification issues and the opportunity to supply any information or explanations that may clarify or resolve an issue by the stated due date. The same concept of sharing a draft or preliminary RAR before issuance of the 30-day letter also applies to initial communications for Form 5330 examinations, and Form 1040 / 5329 discrepancy adjustments.

We will no longer use individually designed cover letters to share a preliminary or draft RAR with taxpayers. Examiners must use standardized letters and forms for all taxpayer communications in EP Examinations by choosing the applicable selectable paragraphs and completing the fillable fields. Do not change the standardized language parts of the applicable letters or forms. This change will help us to consistently administer the tax laws fairly and equitably while protecting taxpayers’ rights when communicating with taxpayers.

Elevate questions or suggestions about the use of standardized letters and forms to your manager or Area Manager, who will send them to the Manager, EP Examinations Mandatory Review, to be addressed by the EP Examinations Letters Team member.

We will incorporate this guidance into IRM sections 4.70, 4.71.1, 4.71.3, 4.71.4, 4.71.5, 4.71.27 by January 10, 2025.

**Effective Date**

January 10, 2023

**Contact:**

If you have questions about this change in procedures, contact the Manager, EP Examinations Mandatory Review.

**Distribution:**

IRS.gov