



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

7.11.9

JULY 23, 2024

## EFFECTIVE DATE

(07-23-2024)

## PURPOSE

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

## MATERIAL CHANGES

- (1) Updated IRM 7.11.9.1.2 (1) to add reference to IRC 403(b).
- (2) Updated for plain language and editorial changes.

## EFFECT ON OTHER DOCUMENTS

This supersedes IRM 7.11.9, dated July 21, 2023.

## AUDIENCE

Tax Exempt and Government Entities  
Employee Plans  
Determinations

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7.11.9

Mandatory and TEQMS Case Reviews

**Table of Contents**

7.11.9.1 Program Scope and Objectives

7.11.9.1.1 Background

7.11.9.1.2 Authority

7.11.9.1.3 Responsibilities

7.11.9.1.4 Acronyms

7.11.9.2 Mandatory and TEQMS Case Reviews

7.11.9.2.1 QA Reviewer Responsibilities

7.11.9.2.2 Reviewers' Case Return Procedures

7.11.9.2.3 Group Procedures - Case Returned by QA



7.11.9.1  
(09-19-2022)  
**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) **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 Technical Screening and 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 <https://www.irs.gov/privacy-disclosure/delegation-orders-and-policy-statements-by-process>.

7.11.9.1.3  
(05-25-2021)  
**Responsibilities**

- (1) The Director of EP supervises and is responsible for:
  - a. EP Rulings and Agreements
  - b. EP Examinations
  - c. EP Program Management Office
- (2) The Director of EP Rulings and Agreements, supervises and is responsible for:
  - a. EP Determinations
  - b. EP Technical
  - c. EP Voluntary Compliance

7.11.9.1.4  
(09-19-2022)  
**Acronyms**

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

Acronym	Term
CP&C	Compliance Planning and Classification
DL	Determination Letter
DOL	Department of Labor
EP	Employee Plans
PBGC	Pension Benefit Guaranty Corporation
QA	Quality Assurance staff
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

7.11.9.2  
(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 group clerk with instructions on letters needing to be printed, stamped and imported into TEDS.
  - f. The group clerk will close the case and mail the letters.
  - g. The group clerk 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.

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## 7.11 Employee Plans Determination Letter Program

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- 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.