



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

7.13.1

APRIL 5, 2024

EFFECTIVE DATE

(04-05-2024)

PURPOSE

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

MATERIAL CHANGES

- (1) Revised IRM 7.13.1.1.2 (1), Authority, to reference IRC 403(b) plans.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 7.13.1 dated April 17, 2023.

AUDIENCE

Tax Exempt and Government Entities
Employee Plans

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Tax Exempt and Government Entities

7.13.1

Determination Letter Applications

Table of Contents

7.13.1.1 Program Scope and Objectives

7.13.1.1.1 Background

7.13.1.1.2 Authority

7.13.1.1.3 Responsibilities

7.13.1.1.4 Acronyms

7.13.1.2 Systems

7.13.1.1
(04-16-2021)
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) **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
(04-16-2021)
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
(04-05-2024)
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*.

7.13.1.1.3
(04-17-2023)
Responsibilities

- (1) The Director, EP supervises and is responsible for:
 - EP Rulings and Agreements
 - EP Examinations
 - EP Program Management Office
- (2) The Director, EP Rulings and Agreements, supervises and is responsible for:
 - EP Technical
 - EP Determinations
 - EP Voluntary Compliance
- (3) The following senior managers supervise and are responsible for the group managers and employees in their respective areas:

- Manager, EP Technical
- Area Manager, Areas 1 and 2, EP Determinations
- Program Manager, Voluntary Compliance

7.13.1.1.4
(04-16-2021)

Acronyms

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

Acronym	Definition
AES	Advanced Encryption Standard
CSDW	Cyber Security Data Warehouse
DL	Determination Letter
EACS	EP/EO Application Control System
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
RICS	Returns Inventory Classification System
SDT	Secure Data Transfer
TEDS	Tax Exempt Determination System

7.13.1.2
(04-17-2023)
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):
- EDS uses data it receives from TEDS to create and update cases in the EDS database.
 - EDS sends case data to TEDS daily, including case status acknowledgment data, to manage information reports.
 - LINUS data is taken in and stored to support manual case entry. LINUS transfers data to EDS if TEDS is unavailable.
 - 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.
- (5) Correspondex is used to automatically generate the Acknowledgement Notice 3336C.

