



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

7.14.1

AUGUST 21, 2025

## EFFECTIVE DATE

(08-21-2025)

## PURPOSE

- (1) This transmits revised IRM 7.14.1, Employee Plans EDS User Manual, Introduction.

## MATERIAL CHANGES

- (1) IRM 7.14.1.1.3, Changed the name to Roles and Responsibilities.
- (2) IRM 7.14.1.1(5), Added Primary Stakeholders to Program Scope and Objectives.
- (3) IRM 7.14.1.1.1(4), Deleted TOPS-EDS and replaced with IRWorks.
- (4) IRM 7.14.1.1.3, Changed the name of Responsibilities to Roles and Responsibilities and updated the section.
- (5) IRM 7.14.1.1.4, Added Program Management and Review.
- (6) IRM 7.14.1.1.5, Added Program Controls.
- (7) IRM 7.14.1.1.6, Changed the name from Acronyms to Terms and Acronyms and added BSP (Business Systems Planning), CSPC (Cincinnati Submission Processing Center), DSM (TEGE Determinations Systems Management), EEE (Office of Associate Chief Council (Employee Benefits, Exempt Organizations and Employment Taxes), LINUS (Letter and Information Network User-Fee System), R&A (Rulings and Agreements), TE/GE (Tax-Exempt and Government Entities), and TEQMS (Tax-Exempt Quality Measurement System).
- (8) IRM 7.14.1.1.7 Added Related Resources.
- (9) Various editorial edits have been made throughout the IRM for clarity and removal of outdated items.

## EFFECT ON OTHER DOCUMENTS

This supersedes IRM 7.14.1, dated June 3, 2021.

## AUDIENCE

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7.14.1

Introduction

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7.14.1.1  
(08-21-2025)  
**Program Scope and Objectives**

- (1) **Purpose:** This IRM introduces the general functions of the EP/EO Determination System (EDS).
- (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), and 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 are in compliance with the tax laws by reviewing applications for Determination Letters (DL), opinion letters, and to protect the public interest by applying the tax law with integrity and fairness to all.

7.14.1.1.1  
(08-21-2025)  
**Background**

- (1) EDS was previously used to process determination letter (DL) applications from their establishment in the system to their closing. However, now EP uses the Tax Exempt Determination System (TEDS) as its primary system. While EP uses TEDS for most of its DL application processing, we continue to close and generate DLs in EDS.
- (2) EDS is divided into six subsystems, one being the **Inventory Control System (ICS)**.
  - a. **Data Transcription System (DTS)** - generates EP Applications and Transmittal sheets. (See IRM 7.14.2, *Data Entry*.)
  - b. **Letter Generation System (LGS)** - generates additional information letters and final determination letters. You can reprint any letter you created on EDS. (See IRM 7.14.4, *Letter Generation*).
  - c. **Inventory Control System (ICS)** - available options: case assignment, status update, closing data, re-sending EDS and MPS unpostable information, and research capabilities. (See IRM 7.14.5, *Inventory Control System*).
  - d. **Management Information System (MIS)** - generates inventory and employee reports. (See IRM 7.14.6, *Management Information System (MIS)*).
  - e. **File Maintenance System (FMS)** - updates control files for operating EDS. These control files, for example, are the Employee Plans Master File and System Parameter files for DTS and LGS. Find instructions for using these files in the File Maintenance Manual. This manual has been distributed to select individuals who administer EDS.
  - f. **Master File Pipeline System (MPS)** - receives and validates the EDS data in the service center before it transfers the data to the Employee Plans Master File (EPMF) and Detroit Computing Center. (See IRM 7.13.8, *EDS Unpostables*, for a complete description of MPS and correcting unpostables.)
- (3) EDS is a menu-driven system. You can choose functions from a list of available options. When you select a valid option, it will display an input screen

or another submenu. When you complete an option, the higher level menu is displayed so you may select another option or exit EDS.

- (4) If you have questions regarding EDS, put in a service request through *IR-Works* and state that the request should be worked by a TEGE BSP team member.

7.14.1.1.2  
(06-03-2021)  
**Authority**

- (1) Delegation Order 7-1, IRM 1.2.2.8.1, states the Director, Employee Plans has authority to issue favorable DLs on the qualified status of:
  - a. Pension, profit-sharing, stock bonus, annuity, and employee stock ownership plans under IRC 401, IRC 403(a), IRC 409, IRC 4975(e)(7).
  - b. The status for exemption of any related trusts or custodial accounts under IRC 501(a).
- (2) Find a complete list of delegation orders governing EP Rulings and Agreements at *Delegation Orders and Policy Statements by Process*.
- (3) See IRM Exhibit 7.1.1-1 for a complete list of the major EP revenue procedures currently in effect.

7.14.1.1.3  
(08-21-2025)  
**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.
- (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 judgment cases under the Internal Revenue Code. (IRC 7476).

7.14.1.1.4  
(08-21-2025)

**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.

7.14.1.1.5  
(08-21-2025)

**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. See 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*.
- For questions about privacy, email *\*Privacy*.
  - For questions about disclosure, email *\*Disclosure*.

7.14.1.1.6  
(08-21-2025)

**Terms and Acronyms**

- (1) The table lists acronyms used in this IRM and their definitions.

Acronym	Term
BSP	Business Systems Planning
CSPC	Cincinnati Submission Processing Center
DL	Determination Letter
DSM	TE/GE Determination Systems Management
DTS	Data Transcription System
EEE	Office of Associate Chief Council (Employee Benefits, Exempt Organizations and Employment Taxes)
EPMF	Employee Plans Master File
EP	Employee Plans
EDS	EP/EO Determination System
FMS	File Maintenance System
ICS	Inventory Control System
LINUS	Letter and Information Network User-Fee System
LGS	Letter Generation System
MIS	Management Information System
MPS	Masterfile Pipeline System
QA	Quality Assurance Staff
R&A	Rulings and Agreements
TE/GE	Tax-Exempt and Government Entities
TEDS	Tax Exempt Determination System



Acronym	Term
TEQMS	Tax-Exempt Quality Measurement System

7.14.1.1.7  
(08-21-2025)  
**Related Resources**

- (1) IRM 7.11.1.5 *Computer Systems*
- (2) IRM 7.11.1.5.1 *Employee Plans/Exempt Organizations Determination System (EDS)*

7.14.1.2  
(12-05-2018)  
**Initial Processing Procedures**

- (1) When establishing cases on the primary system of TEDS, the IRS uses the following process:
  - a. All EP application Form 5300, Form 5307, Form 5309, Form 5310, Form 5310-A and Form 5316 are received by the Receipt and Control Branch, Extraction Unit at the Cincinnati Submissions Processing Center (CSPC).
  - b. The TE/GE Deposit Unit processes the user fee on the Letter and Information Network User-fee System (LINUS) using the procedures outlined in IRM 3.45.1.10.6.2, TE/GE Processing, Processing Employee Plan and Exempt Organization Determination Applications and User Fees.
  - c. The application is then established on TEDS using the procedures in IRM 3.45.1.11. The user fee information is then uploaded from LINUS to TEDS.
  - d. An Acknowledgement Notice 3335C is created and sent to the taxpayer. A copy is saved in TEDS.
  - e. All of the information from TEDS is then uploaded to EDS.
- (2) In certain circumstances, DL applications will not be established in TEDS but will be established in EDS (paper cases). TEDS cases may also be converted to paper cases. See IRM 7.14.2.5, Employee Plans EDS User Manual, Data Entry, for instructions on how to establish an application only on EDS.

7.14.1.3  
(12-05-2018)  
**Screen Functions**

- (1) See these definitions to understand EDS screen functions.
  - a. Cursor - A special symbol (usually a square block or blinking underline) displayed on the screen to indicate where the next character will appear when you enter data.
  - b. Field/Item - A group of continuous characters on the screen.
  - c. Input Field - A field in which data can be entered. Sometimes called an UNPROTECTED field.
  - d. Display Field - A field in which data cannot be entered, but is displayed for information. Also called a PROTECTED field.
  - e. Menu - A screen from which several options can be selected.
  - f. Transaction - In DTS, the related data entered for one application form.

7.14.1.4  
(12-05-2018)  
**Screen Fields**

- (1) EDS screen contains four types of input fields:
  - a. Alphanumeric - Allows you to enter all characters on the keyboard. If you enter lowercase characters (a-z) on a screen, they are added to the database in uppercase except where noted.
  - b. Numeric - Allows you to enter only digits 0 through 9. Omit leading zeros, except where noted.

- c. Alphabetic - Allows you to enter only letters A-Z and blank spaces.
- d. Decimal - Allows you to enter only digits 0 through 9. Omit leading zeros and zeros after a decimal point.

7.14.1.5  
(12-05-2018)

**Keyboard Functions**

- (1) The following describes the effect of pressing various keys in EDS.
- a. Left Arrow - Moves the cursor to the beginning of the current field. If the cursor is already at the beginning, it will be moved to the beginning of the preceding field.
  - b. Right Arrow - Moves the cursor one position to the right. If the cursor is already at the last position of the current field, it will be moved to the beginning of the next field.
  - c. Up Arrow - Moves the cursor to the first input field of the line immediately above.
  - d. Down Arrow - Positions the cursor at the first input field following the current line.
  - e. Backspace - Moves the cursor one position to the left.
  - f. Home - Positions the cursor at the first input field on the screen.
  - g. Tab - Moves the cursor to the next field.
  - h. Return/Enter - Same as Tab, above.
  - i. Del/Delete - Erases all characters on the current field from the cursor to the end of the field and replaces them with underlines.
  - j. Esc/Escape - Turns off the insert mode of the F9 key. See F9, below.
  - k. F1 - Execute key. Indicates you completed your input for the current screen.
  - l. F2 through F6 - Function varies depending on the EDS option you use. The system describes each function key. The most common functions are:

F2	Next Page
F3	Previous Page
F6	Help

- m. F7 - Redraw key. Redraws the current screen on the terminal to clear system messages, mail messages, or transmission problems displayed in the middle of a screen.
- n. F8 - Delete key. Deletes a character at the current cursor position.
- o. F9 - Insert key. You may only use this key on alpha or alphanumeric fields. If you enter subsequent characters, they will be inserted before the cursor. To turn off the insert mode, press the Esc key. The insert mode is automatically turned off at the end of a field.
- p. F10 - Cancel/Exit key. In DTS, F10 will cause all data you entered for the current transaction to be deleted. All other times, F10 exits a screen and returns to the previous menu.
- q. F11 - Print key. Prints the information displayed on the screen. The system will prompt for the printer number/method (1-9, s, t or n) to print the screen image.

7.14.1.6  
(12-05-2018)

**Screen Operation**

- (1) In a typical session, the following steps occur:
- a. The system displays a screen.
  - b. Enter the responses to the screen prompts in the input fields.
  - c. Use the arrow and other keys to skip over fields.

- d. Use these same keys when an input field is not completely filled, so that the cursor is positioned in the next input field.
- e. Press F1 (or other key if so indicated) when you have entered all required data fields.
- f. Wait because the system is processing the data you entered and will display "WAIT" at the bottom right corner of the screen to indicate that you should not hit any key until the "WAIT" sign is turned off.
- g. The system performs edit and consistency checks to ensure that the data you entered is correct.
- h. If an error is detected, the terminal will beep, an error message is displayed on the last line of the screen, and the cursor is positioned at the field in error. Enter the correct data and press F1.
- i. Repeat the above error correction procedure until all errors have been corrected. The next screen, if any, will then be displayed.

