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IRS REQUIRES TAX PREPARERS TO MEET NEW STANDARDS *Competency Exam Required for all Unenrolled Tax Preparers Enrolled Retirement Plan Agents (ERPAs) Are Exempt*

ARLINGTON, VA, (August 11, 2010) – The Internal Revenue Service (IRS) announced they will require all unenrolled federal tax return preparers to register for a [Preparer Tax Identification Number \(PTIN\)](#), and meet tax competency standards beginning in 2011. Based on recommendations from a December 2009 [IRS Report](#), the agency plans to phase in the new guidelines over the next three years in an effort to ensure paid tax preparers adhere to a universal standard of competency.

“[The American Institute of Retirement Education](#) (AIRE, LLC) is supportive of these new rules which we believe will bring a new level of professionalism to the industry and are consistent with our commitment to educate retirement plan professionals,” said Brian H. Graff, executive director and CEO of ASPPA. “This commitment is one of the reasons AIRE has partnered with the IRS in creating and administering the [Enrolled Retirement Plan Agent \(ERPA\)](#) program to provide education tailored to retirement plan tax professionals who practice before the IRS.”

The IRS estimates more than [60% of returns are completed by paid but unenrolled tax preparers](#) and anticipate the new requirements will have a major impact on professionalizing an industry of more than [one million paid unenrolled tax preparers](#) who make calculations or complete form submissions to the IRS. This includes the Form 5500 relating to retirement plans. These preparers will be required to obtain PTIN credentials, take a general tax competency test, and complete 15 hours of continuing professional education (CPE) on general tax topics to maintain their PTIN credentials.

Circular 230 practitioners—which include enrolled agents, enrolled actuaries, enrolled retirement plan agents (ERPAs), CPAs, and attorneys— will be exempt from the general tax competency test and continuing education guidelines (CPE), since circular 230 professionals are already subject to IRS tax competency requirements. In the case of ERPAs, competency and CPE requirements focus on subjects pertinent to retirement plan matters.

“We’re pleased the IRS will exempt ERPAs from the general tax competency test and CPE since they already meet educational requirements established by the IRS that are relevant to retirement plans,” said Laura J. Rudzinski, executive director of NIPA. “Once the competency test is available in 2011, the PTIN will only be available to unenrolled preparers who pass a test on general tax matters. We hope professionals who work with retirement plans will consider becoming enrolled as an ERPA as a better, more relevant way to meet the new paid preparer requirements.”

For more information on the [Enrolled Retirement Plan Agent \(ERPA\) program](#) and AIRE, LLC—a partnership between ASPPA and NIPA, visit the website at <https://airellc.org>

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About AIRE: The American Institute of Retirement Education, LLC (AIRE, LLC) is a unique partnership of two retirement plan professional organizations, the [American Society of Pension Professionals & Actuaries \(ASPPA\)](#) and the [National Institute of Pension Administrators](#) (NIPA). AIRE, LLC is directed by a Board of Managers encompassing key leadership from ASPPA and NIPA. Both ASPPA and NIPA have been offering exams leading to credentials for retirement plan professionals for more than 65 years combined. AIRE education and examination programs are further enhanced by the considerable academic strength of its higher education partner, the University of Michigan. The university’s expertise in curriculum development, exam writing and analysis is an invaluable asset to AIRE. <https://airellc.org>

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