

NEWS Retirement Plan Advisers

## Trouble with the IRS? Let an ERPA guide you



A second-generation enrolled retirement plan agent explains how he helps companies smooth out plan problems with the IRS.

June 8, 2022 *By Gregg Greenberg*

The ERPA, short for enrolled retirement plan agent and not to be confused with the Himalayan mountain-scaling sherpa, is a professional who can go before the IRS on behalf of an employer for tax purposes when it comes to their retirement plans, pensions, or annuities.

ERPAs are becoming extinct, although not in the strict sense of the word, as there are more **1,200 practicing** nationwide, and we hope they continue to ply their trade for a long, long time.

But the IRS ceased offering the multipart ERPA entrance exam in February 2016 in response to a lack of enrollees, thereby fixing the number in the field and assuring the end of the designation at some point in the future.

Before the last ERPA hangs up his or her shingle though, there will be companies desperately needing them to plead their cases in front of the IRS, primarily for **Form 5500** offenses. IRS Form 5500 is an annual report companies file with the Department of Labor that contains information about their 401(k) plan's financial condition, investments and operation. A company that fails to provide the IRS and DOL with a properly completed Form 5500 could face hefty fines of more than \$2,200 a day.

*InvestmentNews* tracked down **Will Hackler**, director of retirement plans at Integrated Advisors and a second-generation ERPA, to explain exactly what an ERPA does and how they can help companies smooth out their problems with the IRS.

### ***InvestmentNews:* How did you become an ERPA?**

**Will Hackler:** In my case in particular, my father, Bill, was an ERPA. We actually became the first father-son ERPA team. You can check that fact based on our enrollment numbers. So I had a keen interest in this area based on seeing my dad in his line of work growing up.

But as to the specifics of how any person goes out and becomes an ERPA, there used to be an exam that you were required to take. Provided you passed that test, you filled out an application and, in doing so, became an approved ERPA.

When it came to this particular test, since I had other retirement plan designations, I was pretty familiar with the material. And, as I mentioned, ERPA and advising on retirement plans is kind of the family business, so it was almost in my blood, if you will.

### ***IN:* How do you help companies solve their retirement plan problems with the IRS?**

**WH:** The first and easiest way to resolve an issue with the IRS is prevention. This is why an ERPA, like a sherpa, can come in handy. In both instances, we guide you along the right path. Ensuring that firms are **in compliance** and avoid any issues is the best way to avoid coming before the IRS.

But if an actual problem does arise, in many instances, we as ERPAs use the Employee Plans Compliance Resolution Service, one of the options at our disposal, which is a voluntary program to resolve plan errors, or Delinquent Filer Voluntary Compliance with the Department of Labor. Depending on where the company is in the process with the IRS, we can quickly and easily resolve this issue and work on putting processes in place to prevent future issues.

**/N:** What is the most common problem you solve?

**WH:** The most common error I come across is late or non-filing of the Form 5500. One of the services I provide for Integrated Partners and its CPA Alliance is a process to review their business owner clients' 5500 filings. With a quick search online we can identify issues in the filings and uncover opportunities to help our CPA firms to deepen their relationship with their clients.

Oftentimes Form 5500 issues come about because firms have an office manager who leaves and the new person is not familiar with Form 5500 procedures. This is not something top of mind for many companies, and CPAs can provide a valuable service there with the help of an ERPA.

**/N:** What is the best way for companies to avoid requiring your services?

**WH:** Prevention is undoubtedly the best way to avoid needing an ERPA. Talk to your CPA and make sure that they are aware of your Form 5500 needs. And if you feel unsure or want to ensure that things go as smoothly as possible, get a referral to a good plan consultant like myself to do your Form 5500 for you. It's better to have your Form 5500 filled out correctly, properly filed and done on time all the time, versus leaving anything to chance.

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