AMERICAN RETIREMENT ASSOCIATION

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Working for America's Retirement

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U.S. Department of the Treasury
TREAS-DO-2025-0004
1500 Pennsylvania Avenue, NW
Washington, DC 20220

SUBMITTED VIA REGULATIONS.GOV

Re: Request for Information Related to the Executive Order, "Modernizing Payments To and From America's Bank Account"

The American Retirement Association ("ARA") writes in response to the U.S. Department of the Treasury's Request for Information related to Executive Order 14247, "Modernizing Payments To and From America's Bank Account."[1] ARA thanks the Department of the Treasury ("Treasury") for the opportunity to provide input on these matters, with a focus on its implications for the retirement plan system.

The ARA is a national organization of nearly 39,000 members who provide consulting and administrative services to American workers, savers, and sponsors of retirement plans and IRAs. ARA members are a diverse group of retirement plan professionals of all disciplines including financial advisers, consultants, administrators, actuaries, accountants, and attorneys. ARA is the coordinating entity for its five underlying affiliate organizations representing the full spectrum of America's private retirement system, the American Society of Pension Professionals and Actuaries ("ASPPA"), the National Association of Plan Advisors ("NAPA"), the National Tax-Deferred Savings Association ("NTSA"), the American Society of Enrolled Actuaries ("ASEA"), and the Plan Sponsor Council of America ("PSCA"). ARA's membership is diverse but united in a common dedication to America's employer-based retirement plan system.

Overview

ARA welcomes modernization of the Treasury's payment systems. To ensure a successful conversion in the retirement industry, ARA recommends Treasury address the following two issues: (1) the continued inaccessibility of reliable, scalable electronic filing for Form 5330 excise tax payments, and (2) the need to support third-party payments on behalf of plan sponsors.

Discussion

1. Inaccessibility of MeF for Form 5330 Filings

Form 5330 is a critical reporting mechanism for excise taxes related to retirement plans, covering issues such as late contributions and prohibited transactions. In accordance with Treasury Regulation § 301.6011-3, and recent amendments implemented by TD 9972,[2] most Form 5330 filers are required to file electronically for taxable years ending on or after December 31, 2023. However, the current electronic infrastructure is not equipped to support this transition for the retirement plan industry.

The IRS directed Form 5330 filers to use the Modernized e-File (MeF) system, which generally is accessed through an authorized IRS e-file provider. The IRS provides a list of the authorized providers.[3] When the electronic filing mandate became effective, only one provider was listed as authorized for Form 5330, and that provider did not offer Form 5330 e-filing services. In addition, while ARA members have reported that they are now approved as authorized filers for the Form 5330, the link on the IRS webpage dedicated to

[1] 90 Fed. Reg. 23108 (May 30, 2025).
[2] 88 FR 17754, February 23, 2023
[3] The list of approved e-file providers is maintained at: https://www.irs.gov/e-file-providers/approved-irs-e-file-for-business-providers

electronic filing of the Form 5330[4] purports to link to the list of approved Form 5330 providers, but the webpage it links to[5] references only the 2022 filing year and provides no links or direction on how to access the list for other years. To access the approved list for more recent tax years, a user must (without any guidance or indication of possibility) manually manipulate that URL to change the tax year.[6] This has largely left filers without a functional option to comply with the electronic filing mandate, and the lack of transparency hinders adoption, causes confusion, and undermines the reliability of the official IRS resources.

Without meaningful access to an authorized provider, some ARA members attempted to register for direct e-filing access using ID.me, the IRS's authentication protocol. However, these authentication protocols are built for individual filers, not institutional filers or third-party service providers acting on behalf of clients. This misalignment renders the process unusable for a significant portion of the retirement plan industry.

Finally, even when service providers do complete the process to become authorized e-file providers, the annual authorization process[7] is extremely burdensome. It requires substantial annual documentation, testing, and security requirements, even when the filing requirements for the narrow range of retirement related forms has not changed. The administrative burden is disproportionate and discourages participation.

Until these systemic shortcomings are addressed, paper checks remain the only viable option for a large number of Form 5330 filers. ARA is grateful that the IRS provided relief in 2024 that permitted continued use of paper filing and payment, and **ARA strongly encourages** the issuance of similar relief for 2025 and beyond until the MeF system is practical for institutional use.

2. Accommodating Third-Party Payments

Another critical consideration to the retirement plan industry is the need for any payment system to recognize and facilitate third-party payments. It is common practice in the retirement plan ecosystem for service providers—such as third-party administrators (TPAs), recordkeepers, and ERISA counsel—to pay IRS fees directly on behalf of their clients. This occurs not only for Form 5330 excise taxes but also for other retirement plan-related payments, such as Voluntary Correction Program (VCP) user fees under the IRS's Employee Plans Compliance Resolution System (EPCRS).

Currently, the IRS's electronic payment systems lack clear protocols for third-party payments. For example, the authentication requirements for IRS payment portals (such as ID.me) are designed for individual taxpayers, not for institutional filers acting on behalf of multiple clients. This creates confusion and operational hurdles that potentially lead to compliance complications.

To address these issues, **ARA recommends** Treasury:

- Ensure that all modernized systems explicitly support third-party payments for all retirement plan-related obligations, including excise taxes and VCP fees.
- Provide clear technical guidance on how third-party payments should be structured, authenticated, and attributed.
- Build in bulk payment and batch processing capabilities, recognizing that many service providers manage hundreds of plans.

By addressing these operational realities, Treasury can ensure that modernization efforts truly enhance efficiency and compliance within the retirement system, rather than inadvertently creating new barriers.

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[4] https://www.irs.gov/retirement-plans/mandatory-electronic-filing-for-certain-form-5330-filers-using-the-irs-modernized-e-file-system-mef
[5] https://www.irs.gov/e-file-providers/tax-year-2022-other-tax-exempt-entities-modernized-e-file-mef-providers-form-5330
[6] See, e.g., the webpage showing providers for the 2024 tax year, maintained at: https://www.irs.gov/e-file-providers/tax-year-2024-other-tax-exempt-entities-modernized-e-file-mef-providers-form-5330
[7] *See* Publication 3112 (IRS e-file Application & Participation).

Conclusion

ARA supports the modernization of IRS payment systems and welcomes the goals of Executive Order 14247. However, the industry's experience with Form 5330 illustrates that current systems are not yet functional, scalable, or accessible for institutional filers and third-party service providers.

ARA recommends Treasury prioritize the following steps:

- Extend the relief permitting paper filings until systems are fully functional.
- Update and maintain the list of authorized e-file providers for Form 5330.
- Streamline the annual approval process for e-file providers.
- Ensure third-party payments are supported across all IRS payment portals.

Thank you for your attention to these important issues.

Sincerely,

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