What is an enrolled agent?

Enrolled agents (EAs) are America's tax experts. EAs are the **only** federally-licensed tax practitioners who specialize in taxation and also have **unlimited** rights to represent taxpayers before the Internal Revenue Service.

What are the differences between enrolled agents and other tax preparers?

An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a stringent and comprehensive examination covering both individual and business tax returns, or through experience as a former IRS employee.

Enrolled agent status is the highest credential the IRS awards.

Individuals who obtain this elite status must adhere to ethical standards and enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before.

The difference lies in the depth of experience and understanding of not just how to prepare a tax return, but rather the expertise and knowledge of the tax law that may be used not only to prepare a tax return, but also to represent the taxpayer.

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How can an enrolled agent help me?

Enrolled agents advise, represent and prepare tax returns of individuals, partnerships, corporations, estates, trusts and any other entity with tax reporting requirements. EAs prepare millions of tax returns each year and their expertise in the continually changing field of taxation enables them to effectively represent taxpayers audited by the IRS.

Some enrolled agents work only during tax season or by appointment only, while other enrolled agents have year round practices. In addition to **tax preparation** and tax representation, many enrolled agents offer other business services which may include:

- Tax Return Preparation
- Bookkeeping
- Financial planning or budgeting
- Payroll services
- Financial statement preparation

Retirement Plans for Small Businesses

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Table 1. **Key Retirement Plan Rules for 2013 Type of Plan**	**Last Date for Contribution**	**Maximum Contribution**	**Maximum Deduction**	**When To Set Up Plan**
SEP	Due date of employer's return (including extensions).	Smaller of $51,000 or 25% of participant's compensation.	25% of all participants' compensation	Any time up to the due date of employer's return (including extensions).
SIMPLE IRA and SIMPLE 401(k)	**Salary reduction contributions:** 30 days after the end of the month for which the contributions are to be made. **Matching or nonelective contributions:** Due date of employer's return (including extensions).	**Employee contribution:** Salary reduction contribution up to $12,000, $14,500 if age 50 or over. **Employer contribution:** *Either* dollar for dollar matching contributions, up to 3% of employee's compensation, *or* fixed nonelective contributions of 2% of compensation.	Same as maximum contribution.	Any time between 1/1 and 10/1 of the calendar year. For a new employer coming into existence after 10/1, as soon as administratively feasible.
Qualified Plan: Defined Contribution Plan	**Elective deferral:** Due date of employer's return (including extensions).4 **Employer contribution:** Money Purchase or Profit Sharing: Due date of employer's return (including extensions).	**Employee contribution:** Elective deferral up to $17,500, $23,000 if age 50 or over. **Employer contribution:** Money Purchase: Smaller of $51,000 or 100%1 of participant's compensation. Profit Sharing: Smaller of $51,000 or 100% of participant's compensation.	25%1 of all participants' compensation, plus amount of elective deferrals made.	By the end of the tax year.
Qualified Plan: Defined Benefit Plan	Contributions generally must be paid in quarterly installments, due 15 days after the end of each quarter. See *Minimum Funding Requirement* in chapter 4.	Amount needed to provide an annual benefit no larger than the smaller of $205,000 or 100% of the participant's average compensation for his or her highest 3 consecutive calendar years.	Based on actuarial assumptions and computations.	By the end of the tax year.

Source: IRS Publication 560 – Retirement Plans for Small Businesses